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

For the years ended December 31, 2021 and 2020

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

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

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

The MD&A is prepared as at March 29, 2022 and should be read in conjunction with the accompanying audited consolidated financial statements of Aimia for the year ended December 31, 2021 and the notes thereto, and the Annual Information Form dated March 29, 2022. The earnings and cash flows of Aimia are affected by certain risks. For a description of those risks, please refer to the Risks and uncertainties affecting the business section.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains statements that constitute "forward-looking information" within the meaning of Canadian securities laws ("forward-looking statements"), which are based upon our current expectations, estimates, projections, assumptions and beliefs. All information that is not clearly historical in nature may constitute forward-looking statements. Forward-looking statements are typically identified by the use of terms or 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.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the net proceeds to be received from the PLM transaction; the earn-out in connection with the PLM transaction; the entering into of the Definitive Agreement; the successful completion of the PLM transaction within the anticipated timeframe; the satisfaction or waiver of customary closing conditions in connection with the PLM transaction, including Mexican antitrust authorities' approval; the use of proceeds from the PLM transaction, including the allocated amount and any returns to shareholders; purchases under the current NCIB; renewal of the NCIB; payment of dividends; the outcome of the contested matters with the CRA and Revenu Québec and other litigated matters; the use of Aimia’s tax losses; the current and futures strategic initiatives and investment opportunities.

Forward-looking statements, by their nature, are based on assumptions and are subject to known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the forward-looking statement will not occur. The forward-looking statements in this MD&A speak only as of the date hereof and reflect several material factors, expectations and assumptions. While Aimia considers these factors, expectations and assumptions to be reasonable, actual events or results could differ materially from the results, predictions, forecasts, conclusions or projections expressed or implied in the forward-looking statements. Undue reliance should not be placed on any predictions or forward-looking statements as these may be affected by, among other things, changing external events and general uncertainties of the business. A discussion of the material risks applicable to us can be found in the section entitled Risks and uncertainties affecting the business of this MD&A. Aimia cautions that the list of risk factors included in this MD&A is not exhaustive. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and we disclaim any intention and assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

There are also risks inherent to the anticipated use of proceeds from the PLM transaction described in this MD&A, including failure to complete the PLM transaction, reduction to the final amount of net proceeds from the PLM transaction that could ultimately be allocated to share buybacks and/or special dividend to common shareholders due to the then market conditions, investment opportunities and other relevant factors, failure to make any share buybacks (whether through purchases under the NCIB or otherwise) and/or to pay any special dividend, and failure to obtain the requisite approval to renew the NCIB. Accordingly, there can be no assurance that the anticipated use of proceeds will be completed, or that it will be completed in the manner, or at the time, contemplated in this MD&A. The anticipated use of proceeds as described in this MD&A could be modified or not occur at all.

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

THIS MD&A CONTAINS THE FOLLOWING SECTIONS:

OVERVIEW	4
INVESTMENTS IN EQUITY INSTRUMENTS, ASSOCIATES AND JOINT ARRANGEMENTS	5
Q4 2021 HIGHLIGHTS	5
OTHER 2021 HIGHLIGHTS	9
PERFORMANCE INDICATORS (INCLUDING CERTAIN NON-GAAP FINANCIAL MEASURES)	11
OPERATING AND FINANCIAL RESULTS	11
SELECTED ANNUAL CONSOLIDATED OPERATING RESULTS	12
SELECTED QUARTERLY CONSOLIDATED OPERATING RESULTS	13
SEGMENTED OPERATING RESULTS	14
SUMMARY OF QUARTERLY RESULTS	28
LIQUIDITY AND CAPITAL RESOURCES	29
CONTINGENT LIABILITIES AND GUARANTEES	32
SUMMARY OF CONTRACTUAL OBLIGATIONS AND COMMITMENTS	34
CAPITAL STOCK	34
DIVIDENDS	36
EARNINGS (LOSS) PER COMMON SHARE	37
RELATED PARTIES TRANSACTIONS	38
DISCONTINUED OPERATIONS AND DISPOSAL OF BUSINESSES AND OTHER ASSETS	39
CHANGES IN ACCOUNTING POLICIES	42
FUTURE ACCOUNTING CHANGES	43
CRITICAL ACCOUNTING ESTIMATES	45
CONTROLS AND PROCEDURES	47
RISKS AND UNCERTAINTIES AFFECTING THE BUSINESS	48
NON-GAAP FINANCIAL MEASURES FOR INVESTMENTS	62
GLOSSARY	65
ADDITIONAL INFORMATION	66

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

OVERVIEW

Aimia 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, 6th floor, Toronto, Ontario, M5C 2L7.

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

The company owns a portfolio of investments which include: a 48.9% equity stake in PLM Premier, S.A.P.I. de C.V., owner and operator of Club Premier, the coalition loyalty program in Mexico that operates the Aeromexico Frequent Flyer program, a 10.85% stake in Clear Media Limited, one of the largest outdoor advertising firms in China, a 48.9% equity stake in Kognitiv, a B2B technology company enabling collaborative commerce, a 12.2% equity stake in TRADE X, a global B2B cross-border automotive trading platform as well as a wholly owned investment advisory business, Mittleman Investment Management, LLC.

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

Holdings

Holdings includes Aimia's long-term investments in PLM, Kognitiv, Clear Media Limited, TRADE X as well as minority investments in various public company securities and limited partnerships.

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.

Discontinued Operations

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. Please refer to the section *Discontinued Operations and Disposal of Businesses and Other Assets* for additional information.

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

INVESTMENTS IN PRIVATE EQUITY INSTRUMENTS, ASSOCIATES AND JOINT ARRANGEMENTS

The table below summarizes Aimia's main investments in private equity instruments, associates and joint arrangements at December 31, 2021:

Name	Nature of business	Nature of investment	Reporting segment	Place of business	% of ownership interest	Measurement method
PLM	Coalition Loyalty	Joint venture	Holdings	Mexico	48.9	Equity
Kognitiv	B2B Technology	Associate	Holdings	Worldwide	48.9	Equity
Clear Media Limited [(a)]	Outdoor advertising	Equity instrument	Holdings	China	10.85	Fair value
TRADE X	B2B automotive cross-border trading platform	Equity instrument and convertible note	Holdings	Worldwide	12.2	Fair value

(a) Following the acceptance of the share alternative by the Corporation and the privatization of Clear Media Limited, Aimia has a 10.85% stake in Ever Harmonic Global Limited., which wholly-owns Clear Media.

Q4 2021 HIGHLIGHTS

Subsequent event - Signature of letter of intent to divest its investment in PLM

On February 8, 2022, Aimia announced that it had entered into a binding letter of intent (the “Binding LOI”) with PLM and Grupo Aeromexico, S.A.B. de C.V. and Aerovías de México, S.A. de C.V. (collectively, “Aeromexico”) to divest the company’s 48.9% equity stake in PLM, upon which PLM will become a wholly-owned subsidiary of Aeromexico.

On June 30, 2020, the Debtors filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in Bankruptcy Court. After hearings were held on January 27 and 28, 2022, the Bankruptcy Court entered an order on February 4, 2022 (the “Confirmation Order Date”) confirming the Debtors’ Plan and approving the transactions thereunder, including, among other things, the transactions contemplated by the Binding LOI. The parties to the Binding LOI will prepare and execute one or more definitive agreements for the transaction reflecting the terms and conditions of the Binding LOI (the “Definitive Agreement”), which Definitive Agreement will include customary representations and warranties, indemnity provisions and closing conditions, including, among others, consummation of the Debtor’s Plan on its effective date and approval by Mexican antitrust authorities. If all of the required closing conditions are satisfied or fulfilled, the proposed transaction is expected to close within six months from the Confirmation Order Date of February 4, 2022.

Upon closing of the transaction, Aimia will receive approximately $492.0 million (US$386.0 million) in net cash proceeds, subject to certain adjustments to be made at closing pursuant to the Binding LOI and Definitive Agreement. In addition, an earn-out in an amount of approximately $25.0 million (US$19.3 million) on a net basis, is payable to Aimia in cash should the PLM loyalty program achieve certain targeted annual gross billings amounts by 2024, subject to certain adjustments pursuant to the Binding LOI and the Definitive Agreement. At December 31, 2021, the investment in PLM did not meet the criteria to be presented as an asset held for sale.

Use of proceeds

Aimia intends to utilize the majority of the proceeds from the PLM transaction to pursue the acquisition of controlling stakes in one or more cash generative businesses operating in either the U.S. or Canada to utilize the Corporation's net operating losses.

Aimia also intends to allocate up to $75.0 million of the net proceeds towards a combination of opportunistic share buybacks and/or a special dividend to common shareholders. The Corporation's intent is to utilize a combination of its current NCIB, plus its subsequent proposed renewal upon expiry (subject to the Toronto Stock Exchange approval), to enable total buybacks of up to 14.0 million common shares. Should Aimia be unable to use the current NCIB that expires on June 20, 2022, and/or subsequent NCIB, Aimia will consider a one-time special dividend to common shareholders to achieve the target of $75.0 million return to shareholders.

The final amount of the net proceeds from the PLM transaction that could ultimately be allocated to share buybacks and/or a special dividend to common shareholders will be subject, upon receipt of such proceeds, to the then applicable market conditions, investment opportunities and other relevant factors.

New capital deployment and transactions

Additional investment in TRADE X - Convertible Note

On December 17, 2021, Aimia announced that it had invested $31.6 million (US$25.0 million) in a convertible note of TRADE X, the proceeds of which will be used by TRADE X to continue executing its growth strategy. The note has an 8% interest bearing rate and, unless converted as a result of a qualified financing, will mature 12 months after the closing date. At maturity, Aimia will have the option to convert the note and accrued and unpaid interest into TRADE X preferred shares using the original issue price of the note, which is based on the most recent financing round, or have the notes and accrued interests paid in full.

Based on the terms of the convertible note and events known up to this date, in the event a qualified financing occurs, the note will automatically convert into the same equity instruments than such qualified financing at the lesser of (i) 25% discount over the qualified financing price per share; and (ii) price per share based using a certain pre-money valuation cap.

Additional investment in Capital A Berhad - RCUIDS and Warrants

In the twelve months ended December 31, 2021, Capital A Berhad (formerly known as AirAsia Group Berhad, "Capital A") announced to its shareholders the issuance of renounceable rights for 7-year redeemable convertible unsecured Islamic debt securities ("RCUIDS") with a nominal value of MYR0.75 each, on the basis of two RCUIDS with one warrant for every six Capital A Shares held by entitled shareholders.

As an entitled shareholder, Aimia was allotted 40.5 million RCUIDS and 20.2 million warrants, which were subscribed for by the Corporation for $9.3 million (MYR 30.4 million). The rights issue has been completed on December 31, 2021, with the listing and quotation of the RCUIDS and warrants on the main market of Bursa Securities.

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

Investment in a new Special Purpose Vehicle

On November 9, 2021, Aimia invested $12.4 million (US$10.0 million) in a second special purpose vehicle which was created also to pursue a leverage buyout strategy.

Sale of Newmark Group investment

During the three months ended December 31, 2021, Aimia sold all of its investment in Newmark Group. Aimia received total proceeds of $18.7 million (US$15.1 million), resulting in a gain of $9.7 million (US$8.0 million).

COVID-19 Impact Update

Over the past years, 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 certain of our investments or their partners to various degrees, which are detailed below.

PLM

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. As a result of this financial restructuring, 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 for that period.

In October 2021, Aeromexico announced that it filed, together with its subsidiaries that are debtors in the company’s Chapter 11 voluntary financial restructuring process, the Joint Plan of Reorganization (the “Plan”), a disclosure statement related to the Plan and a motion to approve solicitation procedures with respect to the Plan. The Plan includes the formal assumption of various agreements with PLM, including the commercial agreement (CPSA) between Aeromexico and PLM signed in June 2020.

In January 2022, Aeromexico announced that approximately 86% in votes were submitted in favor the Plan. On January 28, 2022, Aeromexico announced that the Bankruptcy Court formally had confirmed the Plan. On March 17, 2022, Aeromexico announced it has successfully completed its financial restructuring process, including the substantial consummation of its Plan, and emerged from its Chapter 11 process.

As long as Aeromexico operates in a challenging environment due to COVID-19, 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.

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 caused additional delays in the execution of Kognitiv's business plan. Aimia tested the investment for impairment during the year ended December 31, 2021, as 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 have been impaired. Based on the results of the impairment test then performed, the carrying amount of the Kognitiv investment was determined to be lower than its recoverable value and therefore, no impairment was recorded. Refer to *Note 4* of the accompanying audited consolidated financial statements of Aimia for the year ended December 31, 2021 for more details.

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. Clear Media's revenue continued their recovery in the second half of 2020 as well. Total revenue in the fourth quarter of 2020 also slightly exceeded the level of the same period in the prior year. In 2021, Clear Media's revenue increased by 22% for the full year over 2020, indicating continued recovery from the March 2020 level. The investment in 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 3* of the accompanying audited consolidated financial statements of Aimia for the year ended December 31, 2021 as well as in section *Critical accounting estimates* of this MD&A.

Aimia continues to monitor the COVID-19 impacts on all its investments closely. Refer to the *Risks and uncertainties affecting the business* section for more details.

OTHER 2021 HIGHLIGHTS

Investments 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 powered by its proprietary TRADE X 'Brain' data and analytics technology, at a US$250.0 million pre-money valuation.

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. Aimia benefits from customary preferred shareholder protections, as well as board of directors representation. TRADE X's board of directors consists of five directors, of which one board seat is occupied by Aimia's CEO, Phil Mittleman.

Acceptance of the share alternative and subsequent privatization of Clear Media

On July 5, 2021, Ever Harmonic Global Limited. ("Ever Harmonic") and Clear Media Limited jointly announced a voluntary conditional offer to acquire all of the shares of Clear Media Limited that were not already owned or agreed to be acquired by the consortium or parties acting in concert with it.

The conditional offer was made by Ever Harmonic on August 3, 2021 to owners of Clear Media Limited shares to accept either (i) the cash alternative (HK$7.12 per common share), or (ii) the share alternative (one new holding company share per Clear Media Limited common share), with the new holding company (City Lead II Developments Limited, "City Lead II") having a direct investment in Ever Harmonic, which would wholly-own Clear Media Limited. Following Aimia's review of the Composite Document dated August 3, 2021, Aimia elected to accept the share alternative and to maintain an indirect 10.85% shareholding in the privatized Clear Media. The transaction closed and the listing of the shares of Clear Media on the Hong Kong Stock Exchange was withdrawn.

For the purpose of this conditional offer, as well as the initial March 30, 2020 offer by Ever Harmonic to acquire all outstanding shares of Clear Media Limited, Ever Harmonic has secured external financing. The external financing was and is for the purpose of enabling Forward Elite to pay for its pro rata share of the consideration of these offers since Forward Elite had not provided any actual funding in Ever Harmonic.

Although the external financing was and is for the benefit of Forward Elite, the security for the external financing, includes, amongst others, the charge of the Clear Media Limited common shares held by Ever Harmonic in favor of the lenders. As part of the external financing agreement, Ever Harmonic is obliged to apply any and all distributions received from Clear Media Limited and any of its other subsidiaries towards satisfaction of the repayment of the external financing, and shall not declare or pay any dividends or distributions, in each case unless and until the external financing has been fully and finally repaid and discharged. To compensate City Lead II for its loss of its indirect pro rata share in any distributions from Clear Media Limited which needs to be applied by Ever Harmonic to the repayment of the external financing, Forward Elite entered into an undertaking with City Lead II. Under the terms of this undertaking, if any funds of Ever Harmonic (which would otherwise be available for distribution to the consortium and City Lead II) are used by Ever Harmonic to repay the external financing, Forward Elite will undertake to pay City Lead II an amount equal to City Lead II's pro rata share (in proportion to its shareholding in Ever Harmonic) of the relevant funds of Ever Harmonic so used ("Forward Elite Payables"). The Forward Elite Payables may be repaid in any amount from time to time, provided that all Forward Elite Payables shall be repaid in full to City Lead II by no later than 18 months following the date of full repayment of the external financing.

Sale of BIGLIFE to Capital A

On March 22, 2021, Aimia entered into a binding memorandum of understanding with Capital A to sell Aimia's investment in BIGLIFE in exchange for 85.9 million of new common shares of Capital A. On April 14, 2021, the parties entered into a share sale and purchase agreement under the same terms. This agreement was subject to Capital A 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, the sale of Aimia's investment in BIGLIFE closed on June 28, 2021.

The fair value of the Capital A 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.

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 primary investment objective of the fund is to maximize return, while attempting to limit risk, via a value-oriented strategy. 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 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. For more details on the accounting implications of the Precog consolidation, refer to *Note 23* of the consolidated financial statements of Aimia for the years ended December 31, 2021 and 2020.

Realized gain on disposal of JCDecaux securities

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 year ended December 31, 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.

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

PERFORMANCE INDICATORS (INCLUDING CERTAIN NON-GAAP FINANCIAL MEASURES)

GAAP FINANCIAL MEASURES

To measure performance, the Corporation uses and presents several financial measures in accordance with GAAP, including, but not limited to, various source of Income, Expenses, Earnings (loss) before income taxes, Net earnings (loss) and Earnings (Loss) by Common Share. The summary of Aimia's significant accounting policies is included in *Note 2* of the accompanying audited consolidated financial statements for the year ended December 31, 2021 dated March 29, 2022.

Please refer to the *Critical Accounting Estimates* section for a discussion on the identified areas that are the most subject to judgments, inherently uncertain and which could change significantly in subsequent periods, as well as the *Change in Accounting Policies* section for the list of revised accounting standards and accounting policies adopted during the year ended December 31, 2021 and their impacts on the consolidated financial statements.

NON-GAAP FINANCIAL MEASURES

In order to complement the analysis of the financial performance of its investments, certain Non-GAAP measures are presented in this MD&A. A reconciliation to these investments' most comparable GAAP measure can be found in the *Non-GAAP Financial Measures for Investments* section.

OPERATING AND FINANCIAL RESULTS

Certain of the following financial information of Aimia has been derived from, and should be read in conjunction with, the consolidated financial statements for the years ended December 31, 2021 and 2020, and the notes thereto. Results of the Corporation are not significantly impacted by seasonality.

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

SELECTED ANNUAL CONSOLIDATED OPERATING RESULTS

	Years Ended December 31,		
(in millions of Canadian dollars, except share and per share information)	2021	2020	2019
Continuing operations			
Share of net earnings (loss) of equity-accounted investments	**(10.2)**	1.4	29.6
Net change in fair value of investments	**11.9**	9.5	89.6
Interest, dividend and other investment income	**1.6**	2.5	8.1
Revenue from investment management fees	**2.4**	0.9	—
Gain on disposal of equity-accounted investments	**6.9**	—	—
Total Income	**12.6**	14.3	127.3
Expenses	**25.5** *(b)*	24.5 *(b)*	43.0 *(b)*
Decrease in limited partners' capital liability	**0.8**	—	—
Earning (loss) before income taxes	**(12.1)**	(10.2)	84.3
Distributions from equity-accounted investments	**26.4**	18.3	35.3
Including continuing and discontinued operations, unless otherwise noted			
Net earnings (loss) attributable to equity holders of the Corporation	**(16.4)** *(c)(d)*	(4.1) *(c)(d)*	1,112.4 *(c)(d)*
Net earnings (loss) attributable to equity holders of the Corporation - Continuing operations	**(17.1)** *(d)*	(15.1) *(d)*	65.1 *(d)*
Net earnings (loss) attributable to equity holders of the Corporation - Discontinued operations	**0.7**	11.0 *(c)*	1,047.3 *(c)*
Weighted average number of common shares	**90,922,527**	93,067,109	126,795,975
Earnings (loss) per common share *(a)*	**(0.32)**	(0.18)	8.80
Earnings (loss) per common share - Continuing operations - Basic and fully diluted *(a)*	**(0.33)**	(0.30)	0.54
Earnings (loss) per common share - Discontinued operations - Basic and fully diluted	**0.01**	0.12	8.26
Total assets	**431.0**	444.2	571.8
Total non-current liabilities	**16.9**	8.5	16.5
Dividends paid on preferred shares	**12.6**	12.7	47.9
Dividends paid on common shares	**—**	—	30.4

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

(b) Includes stock-based compensation and other performance awards expense of $7.3 million, $2.2 million and $4.2 million for the years ended December 31, 2021, 2020 and 2019, respectively.

(c) Includes the gain on the loss of control of the Loyalty Solution business and related assets of $13.3 million for the year ended December 31, 2020. Includes the impact of the gain of $1,063.1 million on the disposal of the Aeroplan Program and related assets during the year ended December 31, 2019.

(d) Net Earnings (Loss) from continuing operations for the years ended December 31, 2021, 2020 and 2019 include the effect of $5.0 million, $4.9 million and $19.2 million of current income tax expenses, respectively.

For the years ended December 31, 2021 and 2020, current income taxes related to continuing operations are primarily related to Part VI.1 tax expense recognized in our Canadian operations.

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

SELECTED QUARTERLY CONSOLIDATED OPERATING RESULTS

	Three Months Ended December 31,			
(in millions of Canadian dollars, except share and per share information)	2021		2020	
Continuing operations				
Share of net earnings (loss) of equity-accounted investments	**(1.7)**		3.1	
Net change in fair value of investments	**(5.5)**		6.4	
Interest, dividend and other investment income	**0.9**		0.3	
Revenue from investment management fees	**0.5**		0.4	
Total Income	**(5.8)**		10.2	
Expenses	**7.7**	*(b)*	5.9	*(b)*
Increase in limited partners' capital liability	**(0.3)**		—	
Earning (loss) before income taxes	**(13.8)**		4.3	
Distributions from equity-accounted investments	**5.0**		—	
Including continuing and discontinued operations, unless otherwise noted				
Net earnings (loss) attributable to equity holders of the Corporation	**(14.6)**	*(c)*	1.9	*(c)*
Net earnings (loss) attributable to equity holders of the Corporation - Continuing operations	**(15.1)**	*(c)*	3.0	*(c)*
Net earnings (loss) attributable to equity holders of the Corporation - Discontinued operations	**0.5**		(1.1)	
Weighted average number of common shares	**90,922,527**		91,976,643	
Earnings (loss) per common share [a]	**(0.19)**		(0.01)	
Earnings (loss) per common share - Continuing operations - Basic and fully diluted [a]	**(0.20)**		—	
Earnings (loss) per common share - Discontinued operations - Basic and fully diluted	**0.01**		(0.01)	
Total assets	**431.0**		444.2	
Total non-current liabilities	**16.9**		8.5	
Dividends paid on preferred shares	**3.1**		3.2	

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

(b) Includes stock-based compensation and other performance awards expense of $2.8 million and $1.8 million for the three months ended December 31, 2021 and 2020, respectively.

(c) Net Earnings (Loss) from continuing operations for the three months ended December 31, 2021 and 2020 include the effect of $1.3 million and $1.3 million of current income tax expenses, respectively.

For the three months ended December 31, 2021 and 2020, current income taxes related to continuing operations are primarily related to Part VI.1 tax expense recognized in our Canadian operations.

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

SEGMENTED OPERATING RESULTS

This section provides a discussion of the segmented operating results.

HOLDINGS

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020
Income				
Share of net income (loss) of equity-accounted investments	**(1.7)**	3.1	**(10.2)**	1.4
Net change in fair value of investments	**(5.5)**	6.4	**11.9**	9.5
Interest, dividend and other investment income	**0.9**	0.3	**1.6**	2.5
Gain on disposal of equity-accounted investments	**—**	—	**6.9**	—
Total Income	**(6.3)**	9.8	**10.2**	13.4
Expenses				
Compensation and benefits	**4.7**	4.1	**14.7**	10.5
Professional, advisory and service fees	**1.1**	1.0	**4.3**	6.3
Insurance, technology and other office expenses	**0.8**	(0.8)	**3.3**	3.8
Expenses before the following:	***6.6***	*4.3*	***22.3***	*20.6*
Fair value loss on contingent consideration	**0.5**	0.2	**0.8**	0.9
Other financial expense (income), net	**0.1**	—	**(0.3)**	0.9
Depreciation and amortization	**—**	0.3	**—**	0.4
Total Expenses	**7.2**	4.8	**22.8**	22.8
Decrease (increase) in limited partners' capital liability	**(0.3)**	—	**0.8**	—
Earning (loss) before income taxes	**(13.8)**	5.0	**(11.8)**	(9.4)
Included in Expenses and Earnings (loss) before income taxes:				
Share-based compensation and other performance awards	**2.8**	1.8	**7.3**	2.2
Additional Information				
Distributions from equity-accounted investments	**5.0**	—	**26.4**	18.3

SHARE OF NET EARNINGS (LOSS) OF EQUITY-ACCOUNTED INVESTMENTS

The share of net earnings (loss) of equity-accounted investments amounted to $(1.7) million and $(10.2) million for the three and twelve months ended December 31, 2021, a decrease of $4.8 million and $11.6 million compared to the same period in the prior year, and is a direct result of the underlying performance of the equity-accounted investments analyzed below.

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

Share of net earnings (loss) of equity-accounted investments	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020
PLM Premier, S.A.P.I. de C.V.	7.0	11.9	19.6	11.3
Kognitiv	(8.7)	(8.7)	(29.1)	(13.6)
BIGLIFE	—	(0.1)	(0.7)	3.7
Total	**(1.7)**	3.1	**(10.2)**	1.4

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 December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020
Revenue	**66.4**	46.7	**219.5**	188.7
Cost of rewards and operating expenses	(47.1)	(36.9)	(159.2)	(146.2)
Depreciation and amortization	(0.7)	(0.7)	(2.7)	(2.7)
Earnings before net financial expense and income tax expense	**18.6**	9.1	**57.6**	39.8
Net financial income (expense)	(0.6)	2.8	5.6	(18.0)
Income tax (expense) recovery	(2.0)	14.2	(16.5)	8.4
Net earnings	**16.0**	26.1	**46.7**	30.2
Share of net earnings of PLM @ 48.9%	**7.8**	12.8	**22.8**	14.8
Amortization expense related to identifiable assets recognized on a step basis	(0.8)	(0.9)	(3.2)	(3.5)
Aimia's share of PLM net earnings	**7.0**	11.9	**19.6**	11.3
Additional financial information				
Gross Billings *(a)*	**72.4**	48.5	**234.4**	197.5
Adjusted EBITDA *(b)*	**22.2**	11.5	**69.8**	50.7
Cash from (used in) operating activities	**26.5**	25.1	**111.9**	(41.9) *(c)*
Free Cash Flow *(b)*	**25.7**	23.4	**109.9**	(44.1) *(c)*

(a) A supplementary financial measure. Please refer to the *Glossary* section for additional information on this measure.

(b) A non-GAAP measure. Please refer to the *Non-GAAP Financial Measures for Investments* section for additional information on this measure.

(c) Cash flow used in operating activities and Free Cash Flow for the year ended December 31, 2020 includes a $69.3 million (US$50.0 million) payment to Aeromexico as a pre-purchase of award tickets provided with the execution of the amendments to the CPSA in the second quarter of 2020.

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

Summarized balance sheet

As at	December 31,	December 31,
(in millions of Canadian dollars)	2021	2020
Cash and cash equivalents	140.4	87.1
Other current assets	72.0	101.5
Total current assets	212.4	188.6
Total non current assets	236.8	221.7
Total assets	**449.2**	410.3
Total current liabilities	(333.6)	(238.6)
Total non-current liabilities	(258.8)	(308.2)
Total liabilities	**(592.4)**	(546.8)
Net liabilities	**(143.2)**	(136.5)

On February 8, 2022, Aimia announced that it had entered into a binding letter of intent (the “Binding LOI”) with PLM, Grupo Aeromexico, S.A.B. de C.V. and Aerovías de México, S.A. de C.V. (collectively, “Aeromexico”) to divest the company’s 48.9% equity stake in PLM, the owner and operator of Club Premier, upon which PLM will become a wholly-owned subsidiary of Aeromexico.

Upon closing of the transaction, Aimia will receive approximately $492.0 million (US$386.0 million) in net cash proceeds, subject to certain adjustments to be made at closing pursuant to the Binding LOI and Definitive Agreement. In addition, an earn-out in an amount of approximately $25.0 million (US$19.3 million) on a net basis, is payable to Aimia in cash should the PLM loyalty program achieve certain targeted annual gross billings amounts by 2024, subject to certain adjustments pursuant to the Binding LOI and the Definitive Agreement.

Quarter ended December 31, 2021 compared to quarter ended December 31, 2020

Revenue for the three months ended December 31, 2021 amounted to $66.4 million, an increase of $19.7 million, mostly due to an increase in redemption volume as a result of the gradual recovery from COVID-19, which had a greater impact on Aeromexico and other commercial partners in the same period in the prior year. The increase is offset in part by the strengthening of the Canadian dollar currency over the US dollar (PLM's functional currency) in the three months ended December 31, 2021 compared to the same period in the prior year (as Aimia presents PLM's results in Canadian dollars). Cost of rewards and operating expenses amounted to $47.1 million, an increase of $10.2 million, mainly due to the increase in redemption volume compared to the same period in the prior year and higher unit cost of rewards driven by a recovery of the air rewards in the redemption mix. This increase was partly offset by lower operating expenses mainly due to a $2.3 million provision related to unsecured Aeromexico receivables recorded in the corresponding period in the prior year and by the strengthening of the Canadian dollar currency over the US dollar.

Gross Billings for the three months ended December 31, 2021 amounted to $72.4 million, an increase of $23.9 million, mostly due to an increase in accumulation volume as a result of the gradual recovery from COVID-19, which had a greater impact on Aeromexico and other commercial partners in the same period in the prior year. The increase is offset in part by the strengthening of the Canadian dollar currency over the US dollar. Adjusted EBITDA amounted to $22.2 million, an increase of $10.7 million, mainly due to higher Gross Billings and a $2.3 million provision related to unsecured Aeromexico receivables recorded in the corresponding period in the prior year partly offset by higher unit costs of rewards as well as the strengthening of the Canadian dollar currency.

Cash flow from (used in) operating activities for the three months ended December 31, 2021 amounted to $26.5 million. Free Cash Flow amounted to $25.7 million, an increase of $2.3 million compared to the same period in the prior year, mainly due to higher gross billings, offset by higher cost of rewards and timing of receivables collection. Excluding the benefits from the usage of pre-purchased awards tickets, Free Cash Flow for the three months ended December 31, 2021 would have amounted to $11.8 million compared to $15.1 million in the same period of the prior year.

PLM also paid distributions of US$8.0 million during the three months ended December 31, 2021, with Aimia's share being $5.0 million (US$3.9 million).

Year ended December 31, 2021 compared to year ended December 31, 2020

Revenue for the year ended December 31, 2021 amounted to $219.5 million, an increase of $30.8 million, mostly due to an increase in redemption volume as a result of the gradual recovery from COVID-19, which had a greater impact on Aeromexico and other commercial partners in the same period in the prior year. The increase is offset in part by the strengthening of the Canadian dollar currency over the US dollar in the year ended December 31, 2021 compared to the same period in the prior year (as Aimia presents PLM's results in Canadian dollars). Cost of rewards and operating expenses amounted to $159.2 million, an increase of $13.0 million mainly due to the increase in redemption volume compared to the same period in the prior year, higher unit cost of rewards driven by a recovery of the air rewards in the redemption mix, and higher operating expenses due to cost reduction initiatives that were in place during the year ended December 31, 2020 to address the COVID-19 impact, offset in part by a $9.9 million (US$7.3 million) expected credit loss provision related to certain unsecured receivables that PLM has with Aeromexico that was recorded during the same period in the prior year based on Aeromexico's voluntary Chapter 11 filing on June 30, 2020, as well as the strengthening of the Canadian dollar currency over the US dollar.

Gross Billings for the year ended December 31, 2021 amounted to $234.4 million, an increase of $36.9 million, mostly due to an increase in accumulation volume as a result of the gradual recovery from the COVID-19 pandemic, which had a greater impact on Aeromexico and other commercial partners in the same period in the prior year. This increase is offset in part by the strengthening of the Canadian dollar currency over the US dollar. Adjusted EBITDA amounted to $69.8 million, an increase of $19.1 million, mainly due to higher Gross Billings and the $9.9 million provision related to unsecured Aeromexico receivables recorded in the same period in the prior year, partly offset by higher unit costs of rewards and higher operating expenses, as well as the strengthening of the Canadian dollar currency.

Cash flow from (used in) operating activities for the year ended December 31, 2021 amounted to $111.9 million. Free Cash Flow amounted to $109.9 million, an increase of $154.0 million compared to the same period in the prior year, mainly due to a $69.3 million (US$50.0 million) advance to Aeromexico by PLM through pre-purchases of award tickets provided with the execution of the amendments to the CPSA that took place in the second quarter 2020, as well as a $20.1 million (US$15.0 million) pre-purchase of award tickets in the first quarter of 2020. The increase is also due to higher Gross Billings and to the benefits from a higher usage of the pre-purchased awards tickets in the year ended December 31, 2021 compared to the same period in the prior year, as well as by the strengthening of the Canadian dollar currency, offset in part by higher cost of sales and operating expenses. Excluding the benefits from the usage of pre-purchased awards tickets, Free Cash Flow for the year ended December 31, 2021 would have amounted to $63.4 million. Excluding the $69.3 million advance through pre-purchase of award tickets and $20.1 million pre-purchase in the first quarter of 2020 as well as the benefits from the usage of pre-purchased awards tickets, Free Cash Flow for the year ended December 31, 2020 amounted to $21.6 million.

PLM also paid distributions of US$42.8 million during the year ended December 31, 2021, with Aimia's share being $26.4 million (US$20.9 million).

Investment in Kognitiv

Summarized statement of operations

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020 [(b)]
Revenue [(c)]	**14.9**	17.8	**56.4**	43.1
Cost of sales and operating expenses [(c)]	**(30.1)**	(29.7)	**(106.0)**	(62.8)
Depreciation and amortization	**(0.3)**	(0.3)	**(1.1)**	(1.1)
Loss before net financial income and income tax expense [(c)]	**(15.5)**	(12.2)	**(50.7)**	(20.8)
Net loss	**(15.7)**	(14.2)	**(52.3)**	(22.9)
Share of net loss of Kognitiv	**(7.8)**	(6.9)	**(25.6)**	(11.2)
Amortization expense related to identifiable assets recognized on acquisition	**(0.4)**	**(1.3)**	**(1.5)**	**(1.3)**
Cumulative undeclared dividends on preferred shares not owned by Aimia	**(0.5)**	**(0.5)**	**(2.0)**	**(1.1)**
Aimia's share of Kognitiv's net loss	**(8.7)**	**(8.7)**	**(29.1)**	**(13.6)**
Additional financial information				
Adjusted EBITDA [(a)(c)]	**(13.2)**	(10.0)	**(45.1)**	(16.2)
Included in Net loss:				
Net earnings from discontinued operations [(d)]	**(0.1)**	(1.3)	**1.4**	(1.9)

(a) A non-GAAP measure. Please refer to the *Non-GAAP Financial Measures for Investments* section for additional information on this measure.

(b) The Kognitiv transaction closed on June 18, 2020.

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

(d) 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 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 still subject to the finalization of closing working capital and indebtedness.

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

Summarized balance sheet

As at	December 31,	December 31,
(in millions of Canadian dollars)	2021	2020
Cash and cash equivalents	10.3	21.2
Other current assets	50.8	67.5
Total current assets	61.1	88.7
Total non current assets	9.2	5.6
Total assets	**70.3**	94.3
Total current liabilities	(57.2)	(71.8)
Total non-current liabilities	(9.9)	(12.2)
Total liabilities	**(67.1)**	(84.0)
Net assets	**3.2**	10.3

Kognitiv's revenues are derived from platform subscriptions and commerce activity. The services provided to the travel and hospitality industries have been impacted as a result of the COVID-19 pandemic, although they have been showing gradual recovery during the year ended December 31, 2021. Kognitiv is currently focused on the commercialization of its business model following the acquisition of Loyalty Solutions and continues to execute on its synergy realization program.

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. Through the partnership agreement, IRI and ISS will also explore opportunities for IRI’s retailer clients to leverage Kognitiv’s Platform-as-a-Service to scale their partnerships, connect peer-to-peer and deliver new value to consumers through hyper-personalized experiences within their ecosystem. The transaction generated significant upfront proceeds, with remaining proceeds scheduled to be received by Kognitiv over the next four years. ISS operations are presented as discontinued operations in Kognitiv's summarized statement of operations.

Subsequent financing

In January 2022, Kognitiv secured additional financing from the following sources:

- $31.0 million in the form of secured subordinated convertible notes. Investors in the secured subordinated convertible notes included $15.0 million from a new U.S. institutional investor, $10.0 million from Aimia, and $1.25 million from company insiders, including members of the board of directors and senior management.
- $17.5 million in the form of a senior debt facility.

The convertible notes have the option to convert to equity at a discount to the price at which equity is offered in Kognitiv's next qualified financing round. This new capital will help support Kognitiv's growth initiatives, including research and development and accelerating the adoption of their proprietary collaborative commerce platform. These funds will also support Kognitiv's commercial efforts to convert their pipeline into recurring revenue, subscription clients.

Quarter ended December 31, 2021 compared to quarter ended December 31, 2020

Revenue for the three months ended December 31, 2021 amounted to $14.9 million, a decrease of $2.9 million compared to the revenue for the three months ended December 31, 2020, mainly due to reduced rewards fulfillment activities in Canada as a result of client roll-offs. These clients had provided their intention not to renew their contracts prior to the Kognitiv transaction. This decrease was offset in part by the gradual recovery of revenues from travel and hospitality clients as well as new clients revenue. Revenue for the three months ended December 31, 2021 increased by 6.4% compared to the three months ended September 30, 2021.

Cost of sales and operating expenses for the three months ended December 31, 2021 amounted to $30.1 million, broadly in line with the cost of sales and operating expenses for the three months ended December 31, 2020. During the three months ended December 31, 2021, Kognitiv incurred $2.0 million in professional fees related to financing and strategic initiatives. These fees were offset in part by lower rent expense due to office consolidations.

The net loss for the three months ended December 31, 2021 amounted to $15.7 million, an increase of $1.5 million, mainly due to the factors explained above.

Year ended December 31, 2021 compared to year ended December 31, 2020

The variance between the year ended December 31, 2021 and the year ended December 31, 2020 results is mostly explained by the fact that the Kognitiv transaction closed on June 18, 2020, which is the date Aimia started reporting Kognitiv's results. The revenue increase is offset in part by a decrease in revenues due to reduced rewards fulfillment activities in Canada as a result of client roll-offs. These clients had provided their intention not to renew their contracts prior to the Kognitiv transaction. The cost of sales and operating expenses in the year ended December 31, 2021, benefited from the Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS) programs for an aggregate amount of $2.6 million.

NET CHANGE IN FAIR VALUE OF INVESTMENTS

As of December 31, 2021, the value of Aimia's investments in marketable securities and other investments accounted for at fair value is detailed below:

(in millions of Canadian dollars)	Hierarchy	December 31, 2021	December 31, 2020
Investment in marketable securities			
Capital A			
Capital A - Common shares	Level 1	29.2	—
Capital A - RCUIDS	Level 1	9.0	—
Capital A - Warrants	Level 1	1.3	—
Cineplex	Level 1	9.6	—
Other equity instruments - held through Precog Capital Partners, L.P. (a)	Level 1	28.4	—
JCDecaux	Level 1	—	14.1
Newmark Group	Level 1	—	4.6
Total		**77.5**	18.7
Investment in private companies and other financial instruments			
Clear Media Limited	Level 3	68.3	69.0
TRADE X			
TRADE X - Preferred shares	Level 3	44.6	—
TRADE X - Convertible Note	Level 3	32.0	—
Special purpose vehicles	Level 2	21.7	3.4
Investment funds	Level 2	5.3	—
Total		**171.9**	72.4

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

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

The net change in fair value of investments for the three and twelve months ended December 31, 2021 and 2020 is detailed below. A discussion follows on the main events and movements occurred during the twelve months ended December 31, 2021.

		Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	Hierarchy	2021	2020	2021	2020
Realized fair value gain (loss)					
JCDecaux	Level 1	**—**	—	**6.9**	—
Newmark Group	Level 1	**9.7**	—	**9.7**	—
Equity instruments portfolio	Level 1	**—**	—	**—**	7.0
Village Roadshow	Level 1	**—**	5.9	**—**	5.9
Other equity instruments - held through Precog Capital Partners, L.P.	Level 1	**0.3**	—	**0.6**	—
Net change in unrealized fair value					
JCDecaux	Level 1	**—**	3.6	**(3.6)**	3.6
Newmark Group	Level 1	**(9.0)**	—	**—**	—
Clear Media	Level 3	**(0.1)**	(3.3)	**(0.7)**	(7.2)
Capital A					
Capital A - Common shares	Level 1	**(9.4)**	—	**(2.5)**	—
Capital A - RCUIDS	Level 1	**0.7**	—	**0.7**	—
Capital A - Warrants	Level 1	**0.3**	—	**0.3**	—
TRADE X					
TRADE X - Preferred shares	Level 3	**—**	—	**0.6**	—
TRADE X - Convertible Note	Level 3	**0.2**	—	**0.2**	—
Cineplex	Level 1	**0.3**	—	**1.3**	—
Other equity instruments - held through Precog Capital Partners, L.P.	Level 1	**0.4**	—	**(4.4)**	—
Special purpose vehicle	Level 2	**0.8**	0.2	**2.3**	0.2
Investment funds	Level 2	**0.3**	—	**0.5**	—
Net change in fair value of investments		**(5.5)**	6.4	**11.9**	9.5

Realized fair value gain (loss)

During the three months ended December 31, 2021, Aimia sold all of its investment in Newmark Group and received total proceeds of $18.7 million (US$15.1 million), resulting in an overall realized gain of $9.7 million (US$8.0 million) on the investment.

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). In 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.

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

Investments in TRADE X

Preferred shares

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. Since Aimia's initial investment, TRADE X pursued its growth strategy both organically through the development of new international trading corridors and through the acquisition of two Canadian companies, including Techlantic Ltd., an Ontario-based automotive trading, redistribution, and financing company.

As of December 31, 2021, the fair value of the preferred shares has been estimated at $44.6 million (US$35.0 million) and the Corporation recorded an unrealized fair value gain of nil and $0.6 million during the three months and year ended December 31, 2021, respectively for this investment.

Convertible Note

As of December 31, 2021, the fair value of the investment has been estimated at $32.0 million (US$25.1 million), being the original issue price of the note adjusted for the interest accrued in the reporting period. The Corporation has accrued interest of $0.2 million and recorded an unrealized fair value gain of $0.2 million during the three months and year ended December 31, 2021, respectively for this investment.

Investment in Clear Media

As of December 31, 2021, the fair value of the indirect investment in Clear Media Limited has been estimated at $68.3 million (equivalent of HK$7.12 per share) and the unrealized fair value loss recognized since acquisition is due to the strengthening of the Canadian dollar versus the Hong Kong dollar.

On November 5, 2021, Clear Media Limited declared a dividend to Ever Harmonic payable in two installments of 50% each in November 2021 and May 2022. The November 2021 amount received has been used to repay the external financing, creating Forward Elite Payables in the amount of $0.6 million for Aimia. This amount has been recorded in other investment income in the statement of operations. Refer to the *2021 highlights* section for more details on the structure of the Clear Media Limited investment since the privatization of the company.

Investments in Capital A Berhad

Common shares

In the year ended December 31, 2021, the Corporation participated in the second tranche of a private placement of new ordinary shares in Capital A. Aimia subscribed for 35.6 million of new common shares for an amount of $9.4 million (MYR30.8 million). Aimia also entered into a binding memorandum of understanding with Capital A to sell Aimia's investment in BIGLIFE in exchange for 85.9 million of new common shares of Capital A. On April 14, 2021, the parties entered into a share sale and purchase agreement under the same terms. This agreement was subject to Capital A 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, the sale of Aimia's investment in BIGLIFE closed on June 28, 2021.

As of December 31, 2021, the fair value of the total investment in Capital A was $29.2 million and Aimia recognized an unrealized fair value loss of $9.4 million and $2.5 million during the three months and year ended December 31, 2021, respectively for the common shares of Capital A.

RCUIDS and Warrants

In the twelve months ended December 31, 2021, Capital A announced to its shareholders the issuance of renounceable rights for 7-year redeemable convertible unsecured Islamic debt securities ("RCUIDS") with a nominal value of MYR0.75 each, on the basis of two RCUIDS with one Warrant for every six Capital A Shares held by entitled shareholders.

As an entitled shareholder, Aimia was allotted 40.5 million RCUIDS and 20.2 million warrants, which were subscribed for by the Corporation for $9.3 million (MYR 30.4 million). The rights issue was completed on December 31, 2021, with the listing and quotation of the RCUIDS and warrants on the main market of Bursa Securities. As of December 31, 2021, the fair values of the RCUIDS and warrants were $9.0 million and $1.3 million, respectively, and Aimia recognized unrealized fair value gain of $0.7 million and $0.3 million, respectively, during both the three months and the year ended December 31, 2021.

Practice Note 17 ("PN 17")

As announced by Capital A in January 2022, Capital A continued to trigger the prescribed criteria pursuant to Paragraph 8.04 and Paragraphs 2.1(a) and 2.1(e) of PN17 of the Main Listing Requirements of Bursa Malaysia Securities Berhad. The company triggered the prescribed criteria given that (i) its December 31, 2020 audited financial statements included a unqualified audit opinion with material uncertainty relating to going concern from its external auditors, and (ii) Capital A's shareholders' equity on a consolidated basis was 25% or less of its share capital and such equity is less than MYR40.0 million based on the audited financial statements for the year ended December 31, 2020.

Given the COVID-19 pandemic, Bursa Malaysia had previously granted affected issuers PN17 relief measures for a period of 18 months whereas issuers that triggered the prescribed criteria would not be classified as a PN17 listed issuer and would not be required to comply with the obligations of the Main Listing Requirements. For Capital A, those relief measures expired on January 7, 2022, and a request for extension was denied.

Pursuant to PN17, Capital A is required to regularize its condition within a year from January 7, 2022. This process includes requirements to submit a regularization plan to the either Securities Commission Malaysia or Bursa Malaysia depending if such regularization plan will result in a significant change in the business direction of Capital A or not.

In the event Capital A fails to comply with any part of its obligations to regularize its condition within the timeframes permitted by Bursa Securities, Bursa Securities shall (i) suspend the trading of the company’s listed securities on the 6th market day after the date of notification of suspension by Bursa Securities; and (ii) de-list the company subject to the company’s right to appeal against the de-listing which appeal by the company must be submitted to Bursa Securities within 5 market days from the date of notification of de-listing by Bursa Securities.

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

This situation has created increased volatility in the share price of Capital A in 2022. As of this date, Capital A is in the midst of formulating a regularization plan to address its financial condition. Aimia is closely monitoring the developments.

GAIN ON DISPOSAL OF EQUITY-ACCOUNTED INVESTMENTS

The gain on disposal of equity-accounted investments is due to the disposal of Aimia's 20% share in BIGLIFE in exchange for 85.9 million of new common shares of Capital A. The fair value of the Capital A common shares received on June 28, 2021 was $22.3 million (MYR75.1 million), resulting in a gain on disposal of equity-accounted investment of $6.9 million in the year ended December 31, 2021.

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

EXPENSES

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020
Compensation and benefits	**4.7**	4.1	**14.7**	10.5
Professional, advisory and service fees	**1.1**	1.0	**4.3**	6.3
Insurance, technology and other office expenses	**0.8**	(0.8)	**3.3**	3.8
Expenses before the following:	***6.6***	*4.3*	***22.3***	*20.6*
Fair value loss on contingent consideration	**0.5**	0.2	**0.8**	0.9
Other financial expense (income), net	**0.1**	—	**(0.3)**	0.9
Depreciation and amortization	**—**	0.3	**—**	0.4
Total Expenses	**7.2**	4.8	**22.8**	22.8
Included in compensation and benefits expense:				
Share-based compensation and other performance awards	**2.8**	1.8	**7.3**	2.2

Quarter ended December 31, 2021 compared to quarter ended December 31, 2020

Total expenses for the three months ended December 31, 2021 amounted to $7.2 million, an increase of $2.4 million compared to the three months ended December 31, 2020.

Expenses from compensation and benefits, professional, advisory and service fees, as well as insurance, technology and other office expenses amounted to $6.6 million for the three months ended December 31, 2021, an increase of $2.3 million compared to the same quarter in the prior year. This is mainly due to an unfavorable variance of $1.6 million related to insurance, technology and other office expenses explained by two non-recurring credits obtained in the three months ended December 31, 2020, being a $1.0 million credit related to a variable technology transitional services true-up as well as a $0.5 million credit related to lower than originally estimated dilapidation costs of a previous UK office. The variance is also due to an increase of $0.6 million in compensation and benefits driven by an increase of $1.0 million of share-based compensation and other performance awards mainly due to the increase in the Corporation's share price in the three months ended December 31, 2021, compared to the same period in the prior year. This increase was partly offset by a decrease in the expense related to the short-term incentive plan of the Corporation due to phasing.

Year ended December 31, 2021 compared to year ended December 31, 2020

Total expenses for the year ended December 31, 2021 amounted to $22.8 million, in line with the total expenses for the year ended December 31, 2020.

Expenses from compensation and benefits, professional, advisory and service fees, as well as insurance, technology and other office expenses amounted to $22.3 million for the year ended December 31, 2021, an increase of $1.7 million compared to the year ended December 31, 2020. This is mainly due to an increase of $4.2 million in compensation and benefits driven by an increase of $5.1 million of share-based compensation and other performance awards which included a reversal of previously accrued liability in the year ended December 31, 2020. The $7.3 million share-based compensation and other compensation awards expense for the year ended December 31, 2021 is mainly due to the expense associated with deferred share units granted to executives appointed at the end of the second quarter in 2020. The increase in expenses was partly offset by lower professional, advisory and service fees compared to the year ended December 31, 2020, which included $0.6 million of transaction costs related to the MIM acquisition as well as lower insurance, technology and other office expenses as a result of information technology decoupling and other transition costs associated with the sale of the Aeroplan business that were incurred in the year ended December 31, 2020.

INVESTMENT MANAGEMENT

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020 [a]
Revenue from investment management fees	**0.6**	0.4	**2.7**	0.9
Total Income	**0.6**	0.4	**2.7**	0.9
Compensation and benefits	**0.3**	0.4	**1.7**	0.8
Professional, advisory and service fees	**0.2**	0.1	**0.4**	0.2
Insurance, technology and other office expenses	**—**	—	**0.2**	0.1
Expenses before the following:	**0.5**	0.5	**2.3**	1.1
Depreciation and amortization	**0.1** *(b)*	0.6	**0.7** *(b)*	0.6
Total Expenses	**0.6**	1.1	**3.0**	1.7
Earning (loss) before income taxes	**—**	(0.7)	**(0.3)**	(0.8)

(a) The MIM acquisition closed on June 19, 2020.
(b) Depreciation and amortization on customer relationships intangible assets.

Revenue from investment management fees for the three months ended December 31, 2021 amounted to $0.6 million, an increase of $0.2 million. Compensation and benefits expenses for the three months ended December 31, 2021 amounted to $0.3 million, a decrease of $0.1 million, mostly due to an employee retention credit under the CARES Act in the United States recognized during the period. Revenue from investment management fees for the year ended December 31, 2021 amounted to $2.7 million, an increase of $1.8 million mostly due to the MIM acquisition closing on June 19, 2020, as well as a $0.3 million of one-time revenue.

As of December 31, 2021, MIM had $205.9 million (US$161.8 million) of assets under management, including $28.4 million related to Precog Capital Partners L.P. which is consolidated in the results of the company. This represents a 3.1% increase (in US dollars) from the assets under management as of September 30, 2021, and a 10.2% decrease from the assets under management as of December 31, 2020.

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

SUMMARY OF QUARTERLY RESULTS

This section includes sequential quarterly data for the eight quarters ended December 31, 2021.

	2021				2020			
(in millions of Canadian dollars, except per share amounts)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Income	**(5.8)** [d]	7.0 [d]	9.7 [d][e]	1.7 [d]	10.2 [d]	(1.1) [d]	9.2 [d]	(4.0)
Expenses	**7.7**	3.1	5.9	8.8	5.9	8.8	1.6	8.2
Earnings (loss) before tax from continuing operations	**(13.8)**	4.7	4.1	(7.1)	4.3	(9.9)	7.6	(12.2)
Net earnings (loss) attributable to equity holders of the Corporation	**(14.6)**	3.5	3.1	(8.4)	1.9 [c]	(10.8) [c]	14.4 [c]	(9.6)
Net earnings (loss) attributable to equity holders of the Corporation - Continuing operations	**(15.1)**	3.5	2.9	(8.4)	3.0	(10.7)	6.1	(13.5)
Net earnings (loss) attributable to equity holders of the Corporation - Discontinued operations	**0.5**	—	0.2	—	(1.1) [c]	(0.1) [c]	8.3 [c]	3.9
Earnings (loss) per common share [a]	**(0.19)**	—	—	(0.13)	(0.01) [c]	(0.15) [c]	0.12 [c]	(0.14)
Earnings (loss) per common share - Continuing operations [a]	**(0.20)**	—	—	(0.13)	—	(0.15)	0.03	(0.18)
Earnings (loss) per common share - Discontinued operations	**0.01**	—	—	—	(0.01) [c]	— [c]	0.09 [c]	0.04
Distribution from equity-accounted investments - continuing operations	**5.0**	6.3	5.3	9.8	— [b]	— [b]	8.8	9.5

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

(b) As a result of COVID-19 impacts, PLM temporarily halted distributions payments in the second half of 2020.

(c) Includes the impact of the gain (loss) of $(1.8) million, $(0.1) million and $15.2 million related to the loss of control of the Loyalty Solutions business and related assets during the three months ended December 31, 2020, September 30, 2020 and June 30, 2020, respectively.

(d) Includes net change in fair value of investments of $(5.5) million for the three months ended December 31, 2021, $7.9 million for the three months ended September 30, 2021, $4.1 million for the three months ended June 30, 2021, $5.4 million for the three months ended March 31, 2021, $6.4 million for the three months ended December 31, 2020, $(1.5) million for the three months ended September 30, 2020 and $4.6 million for the three months ended June 30, 2020.

(e) Total Income for the three months ended June 30, 2021, includes a gain of $6.9 million on the disposal of the BIGLIFE equity-accounted investment.

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

LIQUIDITY AND CAPITAL RESOURCES

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

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020
Cash and cash equivalents, beginning of period	**70.2**	172.2	**146.1**	98.6
Cash from (used in) operating activities	21.2	(12.5)	21.4	(32.0)
Cash used in investing activities	(53.3)	(3.7)	(118.9)	108.8
Cash used in financing activities	(3.1)	(8.9)	(12.6)	(28.2)
Translation adjustment related to cash	(0.2)	(1.0)	(1.2)	(1.1)
Cash and cash equivalents, end of period	**34.8**	146.1	**34.8**	146.1

OPERATING ACTIVITIES

Following the loss of control of the Loyalty Solutions business and investment in Kognitiv, Cash from (used in) operating activities is mainly generated from distributions received from equity-accounted investments, proceeds of equity instruments held for trading, revenues from investment management activities as well as interest income, and is reduced by operating expenses, purchases of equity instruments held for trading as well as income taxes paid. Prior to the Kognitiv transaction, cash from (used in) operating activities was generated from revenues and was reduced by the cash expenses required to provide loyalty services and deliver rewards when Loyalty Units are redeemed and by operating expenses.

Cash flows from (used in) operating activities amounted to $21.2 million for the three months ended December 31, 2021, compared to $(12.5) million for the three months ended December 31, 2020. Cash flows from (used in) operating activities amounted to $21.4 million and $(32.0) million for the years ended December 31, 2021 and 2020, respectively.

Cash flows from (used in) operating activities attributable to the continuing operations amounted to $20.7 million for the three months ended December 31, 2021, compared to $(14.9) million for the three months ended December 31, 2020. The positive cash flows the three months ended December 31, 2021, are primarily related to $18.7 million of proceeds from disposal of common shares of Newmark Group (NMRK), a distribution of $5.0 million received from PLM, offset in part by operating expenses and Part VI.1 tax installments.

The negative cash flows for the three months ended December 31, 2020 are primarily due to $15.2 million of purchase of various investments held for trading, the quarterly operating expenses and $1.3 million of income tax paid mainly due to Part VI.1 tax installments, offset in part by the net realized gain of $5.9 million on the purchase and sale of Village Roadshow common shares.

Cash flows from (used in) operating activities attributable to the continuing operations amounted to $20.1 million for the year ended December 31, 2021, compared to $(31.4) million for the year ended December 31, 2020. The positive cash flows for the year ended December 31, 2021 were mainly due to distributions of $26.4 million received from PLM, proceeds from the disposition of investments of $45.2 million (including $17.4 million in proceeds from the disposition of common shares of JCDecaux and $18.7 million of proceeds from disposal of common shares of

Newmark Group), offset in part by the purchase of common shares of Newmark Group (NMRK) for an amount of $4.4 million, by the purchase of marketable securities held through Precog for an amount of $33.7 million, as well as by operating expenses and net income taxes paid (including Part VI.1 tax installments).

The negative cash flows for the year ended December 31, 2020 were mainly due to $22.0 million of Part VI.1 tax paid. Of that amount, $18.7 million related to Part VI.1 tax paid during the three months ended March 31, 2020, as a result of preferred dividends paid in 2019, which included $26.0 million cumulative preferred dividends not previously declared. The outflows also included payments of $4.9 million related to restructuring expenses, annual operating expenses as well as net outflows of $2.3 million in regards to investments held for trading, which included $15.2 million of purchase of various marketable securities held for trading, offset in part by the net proceeds associated with the gains of $12.9 million realized on investments in a marketable securities portfolio in the second quarter of 2020 and on the investment in Village Roadshow common shares in the fourth quarter of 2020. These outflows were also offset in part by distributions of $18.3 million received from PLM and $3.0 million of interest received.

INVESTING ACTIVITIES

Cash from (used in) investing activities for the three months ended December 31, 2021 amounted to $(53.3) million as Aimia continued to deploy capital. These investment activities included an investment of $31.6 million in a convertible note of TRADE X as well as an investment of $12.4 million in a special purpose vehicle. Additionally, as a Capital A shareholder, Aimia was allotted 40.5 million RCUIDS and 20.2 million warrants, which were subscribed for by the Corporation for $9.3 million (MYR 30.4 million).

In addition to the above, cash from (used in) investing activities for the year ended December 31, 2021 include an investment of $44.0 million in preferred shares of TRADE X, a purchase of common shares of Cineplex for an amount of $8.2 million as well as an investment in investment funds totaling $5.0 million. The investment activities for the year ended December 31, 2021, also include $16.5 million of deployed capital consisting in the participation in the second tranche of a private placement of new ordinary shares in Capital A for an amount of $9.4 million, $3.2 million to complete the funding of the company’s initial investment commitment of $6.4 million in a special purpose vehicle created to pursue a leveraged buyout of a target company, as well as investments in other equity instruments. These outflows were offset in part by $4.3 million received for the closing working capital adjustment of the Kognitiv transaction.

During the year ended December 31, 2020, Aimia deployed capital through an investment of $76.5 million to acquire a 10.85% stake in Clear Media Limited, an investment of $35.6 million in Kognitiv (including cash disposed in the business and transaction related costs paid) and $6.5 million for the acquisition of Mittleman Brothers (including transaction related costs and net of cash acquired) and $3.3 million invested in a special purpose vehicle created to pursue a leveraged buyout of a target company.

During the year ended December 31, 2020 cash from (used in) investing activities also included the release to Aimia of $66.9 million of restricted cash and $2.3 of cash held in escrow in accordance with the terms of the SPA between Aimia and Air Canada related to the sale of the Aeroplan program and related assets. Aimia also redeemed its remaining corporate and government bonds for proceeds of $154.6 million.

FINANCING ACTIVITIES

Cash used in financing activities for the three and twelve months ended December 31, 2021 reflect the payment of $3.1 million and $12.6 million, respectively, related to preferred shares dividends.

Cash used in financing activities for the three and twelve months ended December 31, 2020 reflect the payment of $3.2 million and $12.7 million, respectively, related to preferred shares dividends, payments of $5.7 million and $14.8 million, respectively, for repurchases of common shares through the normal course issuer bid as well as the principal elements of lease payments related to discontinued operations of nil and $0.7 million, respectively.

LIQUIDITY

The following table presents an overview of Aimia's liquidity as of December 31, 2021.

As at	December 31,
(in millions of Canadian dollars)	2021
Cash and cash equivalents	34.8
Cash and cash equivalents held through Precog	(0.3)
Cash and cash equivalents, excluding cash held through Precog	34.5
Investments directly held in marketable securities:	
Capital A - Common shares	29.2
Capital A - RCUIDS	9.0
Capital A - Warrants	1.3
Cineplex	9.6
Liquidity position	**83.6**

Excluding any investing activities, Aimia anticipates having an annualized cash expenses of $14.0 to $15.0 million going forward. In addition, Aimia has cash requirements for preferred shares dividends, if and when declared and paid, and associated Part VI.1 tax. These cash requirements will be comfortably met from the Corporation's source of capital listed above.

The amount held in cash, cash equivalents and investments, as well as the types of securities in which it may be invested, are based on policies established by the Board of Directors, which are reviewed periodically.

CONTINGENT LIABILITIES AND GUARANTEES

Guarantees and indemnifications

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

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

Kognitiv transaction

Refer to the *Discontinued Operations and Disposal of Businesses and Other Assets* 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 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 and presents the amount funded in other non-current assets. 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, 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 December 31, 2021 and December 31, 2020.

Other claims and litigation

Claim from a 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.

SUMMARY OF CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As at December 31, 2021, estimated future minimum payments under Aimia's contractual obligations and commitments are as follows:

(in millions of Canadian dollars)	Total	2022	2023	2024	2025	2026	Thereafter
Operating leases	0.1	0.1	—	—	—	—	—
Technology infrastructure and other	0.6	0.3	0.2	0.1	—	—	—
Total Contractual Obligations and Commitments	**0.7**	**0.4**	**0.2**	**0.1**	**—**	**—**	**—**

As at December 31, 2021, Aimia had also committed to purchase $10.0 million of Kognitiv's secured subordinated convertible notes, subject to closing conditions, which included Kognitiv securing additional credit facility and term loan financing as well as having secured commitments of an aggregate of at least $25.0 million on the secured subordinated convertible notes. These closing conditions were met on January 31, 2022 and the convertible note was officially issued on that date.

CAPITAL STOCK

At December 31, 2021, Aimia had 92,488,212 common shares, 5,083,140 Series 1 Preferred Shares and 4,355,263 Series 3 Preferred Shares issued and outstanding for an aggregate amount of $235.9 million. In addition, there were 96,349 stock options issued and outstanding under the Aimia Long-Term Incentive Plan.

COMMON SHARES

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 December 31, 2020, Aimia repurchased 4,422,745 common shares for a total consideration of $14.6 million. Share capital was reduced by $0.2 million and the remaining $14.4 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 during the year ended December 31, 2021.

PREFERRED SHARES

Preferred shares, series 1 and preferred shares, series 2

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

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

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

As a result, all 2,161,865 Series 2 Preferred Shares 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 December 31, 2021, there are 5,083,140 issued and outstanding Series 1 Preferred Shares, all of which are listed on the Toronto Stock Exchange.

Preferred shares, Series 3

As of December 31, 2021, there are 4,355,263 issued and outstanding Series 3 Preferred Shares, all of which are listed on the Toronto Stock Exchange. The holders of the Series 3 Shares are entitled to receive quarterly fixed, cumulative, preferential cash dividends, as and when declared by the Corporation's Board of Directors, subject to compliance with the provisions of the *Canada Business Corporations Act*. The annual dividend rate for the five-year period from and including March 31, 2019 up to but excluding March 31, 2024 will be 6.01%, being 4.20% over the five-year Government of Canada bond yield, as determined in accordance with the rights, privileges, restrictions and conditions attaching to the Series 3 Shares.

DIVIDENDS

Quarterly dividends declared to preferred shareholders of Aimia during the years ended December 31, 2021 and 2020 were as follows:

Three months ended	2021		2020	
(in millions of Canadian dollars, except per share information)	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
September 30,	1.5	0.300125	1.6	0.300125
December 31,	1.5	0.300125	1.5	0.300125
Total	**6.1**	**1.200500**	5.4	1.181625
Series 2				
March 31,	—	—	0.7	0.336700
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
September 30,	1.6	0.375688	1.6	0.375688
December 31,	1.6	0.375688	1.7	0.375688
Total	**6.5**	**1.502752**	6.6	1.502752
Total preferred dividends on Series 1, Series 2 and Series 3	**12.6**		12.7	

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 year ended December 31, 2021, the gross amount of Part VI.1 tax expense is $5.1 million (2020: $4.9 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 year ended December 31, 2021 and 2020 the Corporation paid $5.1 million and $22.0 million of Part VI.1 tax, respectively.

On March 21, 2022, 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 March 31, 2022, to shareholders of record on March 28, 2022.

EARNINGS (LOSS) PER COMMON SHARE

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars, except share and per share information)	2021	2020	2021	2020
Net earnings (loss) attributable to equity holders of the Corporation	**(14.6)**	1.9	**(16.4)**	(4.1)
Deduct: Dividends declared on preferred shares related to the period	**(3.1)**	(3.2)	**(12.6)**	(12.7)
Loss attributable to common shareholders	**(17.7)**	(1.3)	**(29.0)**	(16.8)
Weighted average number of basic and diluted common shares [(a)]	**90,922,527**	91,976,643	**90,922,527**	93,067,109
Earnings (loss) per common share – Basic and fully diluted	**$ (0.19)**	$ (0.01)	**$ (0.32)**	$ (0.18)
Continuing operations - Basic and fully diluted	**$ (0.20)**	$ —	**$ (0.33)**	$ (0.30)
Discontinued operations - Basic and fully diluted	**0.01**	(0.01)	**0.01**	0.12

(a) The weighted average number of basic common shares calculation excludes common shares issued and deposited in escrow as part of the MIM transaction as they are still subject to forfeitures as of December 31, 2021.

RELATED PARTIES TRANSACTIONS

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 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. Refer to *Note 23* of the accompanying consolidated financial statements for more details on the transaction.

ACQUISITION OF MITTLEMAN BROTHERS

On June 19, 2020, Aimia announced 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, an SEC-registered adviser that provides discretionary portfolio management to institutional investors and high-net-worth individuals. Refer to *Note 21* of the accompanying consolidated financial statements for more details on the transaction.

TRANSACTIONS WITH KOGNITIV

On June 18, 2020, Aimia completed the Kognitiv transaction. The transaction was a contribution of cash and Aimia's Loyalty Solutions business, in exchange of an ownership interest in Kognitiv. Aimia and Kognitiv have provided each other transition services. For the year ended December 31, 2020, Aimia has incurred a net expense of $0.7 million in regards to these transition services. Any receivable or payable balance as of December 31, 2020 in regards to these services or other outstanding amounts in regards to the transaction are reported as receivable from related party and payable to related party on the consolidated statement of financial position. Refer to *Note 22* of the accompanying consolidated financial statements for more details on the Kognitiv transaction.

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.

Aimia and Kognitiv provided each other transition services until August 30, 2021. Aimia has also agreed to maintain certain guarantees 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 December 31, 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.

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**
Preliminary 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	0.7
Accumulation partners' contracts and customer relationships	8.6
Trade names	8.6
Other non-current assets	4.3
Accounts payable and accrued liabilities	(28.6)
Customer deposits	(19.2)
Deferred revenue	(22.3)
Other non-current 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 September 30, 2020 the preliminary gain on the loss of control of the Loyalty Solutions business and related assets was $15.1 million. 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.

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

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020
Results of the Loyalty Solutions business and related assets				
Total revenue	**—**	—	**—**	52.5
Compensation and benefits	**—**	—	**—**	23.4
Technology	**(0.5)**	—	**(0.5)**	16.8
Professional, advisory and service fees	**—**	—	**—**	4.9
Rent and office costs	**—**	—	**—**	1.5
Travel and employee expenses	**—**	—	**—**	0.9
Depreciation and amortization	**—**	—	**—**	1.9
Other	**—**	—	**—**	2.6
Total operating expenses	**(0.5)**	—	**(0.5)**	52.0
Operating income	**0.5**	—	**0.5**	0.5
Gain on disposal of businesses and other assets	**—**	(1.8)	**—**	13.3
Net financial income (expenses)	**—**	—	**—**	(0.3)
Share of net earnings of equity-accounted investments	**—**	—	**—**	0.6
Income tax (expense) recovery	**—**	0.7	**0.2**	(3.1)
Net earnings	**0.5**	(1.1)	**0.7**	11.0

Variances in operating results generated for the year ended December 31, 2021 compared to the same periods in the prior year are explained by the loss of control of the Loyalty Solutions business in the Kognitiv transaction on June 18, 2020. In the three months ended December 31, 2021, the Corporation received $0.5 million from research and development credit related to eligible expenses incurred before the disposal of Loyalty Solutions.

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

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020
Net cash flows of the Loyalty Solutions business and related assets				
Cash flows from (used in):				
Operating activities [(a)]	**0.5**	2.4	**1.3**	(0.6)
Investing activities - Proceeds (payments) for the disposal of businesses, including cash disposed	**—**	(0.4)	**4.3**	(35.6)
Financing activities - Principal elements of lease payments	**—**	—	**—**	(0.7)
Total	**0.5**	2.0	**5.6**	(36.9)

(a) Cash flows used in operating activities for the year ended December 31, 2021 include cash put aside of $0.9 million in the form of cash collateral in accordance with the Kognitiv transaction agreement, offset by an income tax refund of $1.7 million resulting from loss carry-backs on discontinued operations as well as $0.5 million from research and development credit related to eligible expenses incurred before the disposal of Loyalty Solutions.

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

CHANGES IN ACCOUNTING POLICIES

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.

Change in accounting policies

Change in statement of financial position presentation

The Corporation completed earlier this year its first year as a holding company and performed a review of its consolidated financial statements to ensure that the information presented is the most relevant to its users. As a result of this exercise, Aimia now presents its investments using the followings categories which will provide greater clarity to the various type of investments made by the company:

- **Investments in marketable securities**: Represents liquid investments that can be sold quickly. As of December 31, 2021 and 2020, these were investments in public company securities. These investments are presented in the current assets section of the statement of financial position.

- **Investments in private companies and other financial instruments**: Represents investments made by the Corporation in equity, debt or hybrid financial instruments of private companies, investment funds and special purpose vehicles. It also includes investments in public company securities for which trading is suspended due to stock exchange or other regulatory rules and therefore not considered liquid investments. These investments are presented in the non-current assets section of the statement of financial position.

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

	Year Ended December 31, 2020		
	As originally presented	Change in presentation	Restated
Short-term investments	18.7	(18.7)	—
Long-term investments	72.4	(72.4)	—
Investments in marketable securities	—	18.7	**18.7**
Investments in private companies and other financial instruments	—	72.4	**72.4**
Total	91.1	—	**91.1**

FUTURE ACCOUNTING CHANGES

The following standards and amendments have been published and their adoption is mandatory for future accounting periods.

Annual Improvements to IFRS Standards 2018-2020

The IASB issued 'Annual Improvements to IFRS Standards 2018 - 2020, which includes amendments to the following standards:

- IFRS 9, *Financial instruments* was amended to address which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 1, *Presentation of financial statements* amended the exemption to allow a subsidiary adopting IFRS at a later date than its parent to also measure cumulative translation differences using the amounts reported by the parent based on the parent’s date of transition to IFRS.
- IFRS 16, *Leases* amended illustrative example 13 to remove the illustration of payments from the lessor related to leasehold improvements.
- IAS 41 *Agriculture* was amended to remove the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41, Agriculture.

These amendments are effective for annual reporting periods beginning on or after January 1, 2022. IFRS 1 and IAS 41 amendments will not have any impact on the consolidated statements of the Corporation.

For the IFRS 9 and 16 amendments, at this time, the Corporation does not anticipate that they will have a significant impact, if any, on its consolidated financial statements.

Reference to Conceptual Framework (Amendments to IFRS 3)

The IASB issued 'Reference to the Conceptual Framework (Amendments to IFRS 3) with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements, add a new exception for certain liabilities and contingent liabilities to refer to IAS 37 or IFRIC 21 rather than the 2018 Conceptual Framework, and clarify that an acquirer should not recognize contingent assets at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. At this time, the Corporation does not anticipate that these changes will have a significant impact, if any, on its consolidated financial statements.

IAS 37 Onerous contracts - Cost of fulfilling a contract

The IASB issued 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. At this time, the Corporation does not anticipate that these changes will have a significant impact, if any, on its consolidated financial statements.

IAS 1 Classification of liabilities as current or non-current

The IASB issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. At this time, the Corporation does not anticipate that these changes will have a significant impact, if any, on its consolidated financial statements.

Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12, IFRS 1)

The IASB issued 'Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12). The amendments require an entity to recognise deferred tax on certain transactions that give rise to equal amounts of taxable and deductible temporary differences on initial recognition. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. At this time, the Corporation is reviewing the impact that these amendments will have on its consolidated financial statements.

Accounting policy disclosures: Changes in estimates vs accounting policies (Amendments to IAS 1, IAS 8)

The IASB issued Definition of Accounting Estimates, which amended IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. At this time, the Corporation is reviewing the impact that these amendments will have on its consolidated financial statements.

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with the International Financial Reporting Standards ("IFRS") requires management to make estimates, judgments and assumptions that management believes are reasonable based upon the information available. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results can differ from those estimates (refer to *Caution regarding forward-looking information*).

Management has identified the areas, discussed below, which it believes are the most subject to judgments, often requiring the need to make estimates about the effects of matters that are inherently uncertain and may change significantly in subsequent periods.

The impact of COVID-19 on the value Aimia's investments that are not publicly traded

The current pandemic has affected the business of certain of Aimia's investments, including PLM, Kognitiv and Clear Media. Significant estimates, judgments and assumptions have been made by management in regards to the identification of potential indicators of impairments as well as for other valuation implications. Refer to the *Q4 2021 Highlights* section and *Note 2 (a)* in the accompanying audited consolidated financial statements of Aimia for the year ended December 31, 2021 for more details.

Measurement of the fair value of the investment in Clear Media

As of December 31, 2021, the fair value of the investment in equity instruments of Clear Media Limited has been estimated at $68.3 million (HK$7.12 per common share) and is based on a combination of valuation techniques and unobservable inputs.

The most significant valuation assumption are described below:

		December 31, 2021		
Investments	Valuation technique	Key valuation inputs	Range	Sensitivity
Clear Media Limited	**Market Approach** - EBITDA multiple (adjusted for change in accounting pronouncements)	EBITDA multiple	[7.0x - 8.0x]	+/- 1.0x = +/- $9.3m
		Return to historical profitability by	[2024]	
		Discount rate	[18% - 20%]	

Measurement of the fair value of the investments in TRADE X

As of December 31, 2021, the fair value of the investments in TRADE X preferred shares and convertible note has been estimated at $44.6 million and $32.0 million, respectively, based on a combination of valuation techniques and unobservable inputs.

The most significant valuation assumption are described below:

	December 31, 2021			
Investments	Valuation technique	Key valuation inputs	Range	Sensitivity
TRADE X - Preferred shares	**Market Approach** - Latest financing round	Enterprise value of US$285.0m	N/A	N/A
TRADE X - Convertible Note	**Market Approach** - Principal amount advanced for the note, adjusted for interest accrued	N/A	N/A	N/A

Income taxes

Following an income tax audit conducted by the CRA regarding certain Aeroplan income tax matters dating back to 2013, Aimia received notices of reassessment for the 2012 through 2017 taxation years and notices of assessment for the 2018 and 2019 taxation years from the CRA and Revenu Québec for an aggregate amount of $32.9 million. Aimia has funded the amounts due upon receipt of the assessments from the $100.0 million restricted cash account set aside as part of the Aeroplan transaction.

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 and presents the amount funded in other non-current assets. Should Aeroplan Inc. be successful in its recourse procedures, the $32.9 million remitted to the CRA and Revenu Québec would be returned to Aimia.

Contingent Liabilities

Refer to the section *Contingent liabilities and guarantees* for a description of current contingent liabilities the Corporation is exposed to.

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

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures within Aimia have been designed to provide reasonable assurance that all relevant information is identified to the Disclosure Policy Committee to ensure appropriate and timely decisions are made regarding public disclosure.

An evaluation of the design and effectiveness of the operation of Aimia's disclosure controls and procedures has been conducted by Aimia, under the oversight of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"). Based on this evaluation, the CEO and CFO have concluded that, as of December 31, 2021, Aimia's disclosure controls and procedures, as defined by National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports that are filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified therein.

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of Aimia's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Aimia, under the oversight of the CEO and CFO, has used the criteria established in the 2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), to assess the effectiveness of Aimia's internal controls over financial reporting. Based on this evaluation, the CEO and CFO have concluded that internal control over financial reporting, as defined by National Instrument 52-109, was effective as at December 31, 2021 based on the applicable criteria.

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

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

A material change in internal control over financial reporting (ICFR) is a change that has, or is reasonably likely to materially affect, the issuer's ICFR. During the year ended December 31, 2021, the Corporation has implemented the NetSuite financial system for the majority of its financial operations and its consolidation. The Corporation's previous financial systems were contributed to Kognitiv as part of the Kognitiv transaction (refer to the *Discontinued Operations and Disposal of Businesses and Other Assets* section for more details).

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

RISKS AND UNCERTAINTIES AFFECTING THE BUSINESS

The results of operations and financial condition of Aimia are subject to a number of risks and uncertainties, and are affected by a number of factors outside of the control of Management. The following section summarizes certain of the major risks and uncertainties that could materially affect our future business results going forward. The risks described below may be interrelated, and should be considered as a whole. The risks described below may not be the only risks faced by Aimia. Other risks which currently do not exist or which are deemed immaterial may surface and have a material adverse impact on Aimia's results of operations and financial condition.

Closing of the previously announced divestiture of Aimia's 48.9% stake in PLM Premier, S.A.P.I. de C.V. ("PLM") may not occur

On February 8th, 2022, Aimia announced that its wholly-owned subsidiaries Aimia Holdings UK Limited and Aimia Holdings UK II Limited have entered into a binding letter of intent (the "Binding LOI") with PLM, Grupo Aeroméxico, S.A.B. de C.V. ("Aeromexico") and Aerovías de México, S.A. de C.V. (collectively, "Aeromexico") to divest Aimia's 48.9% stake in PLM (the "Transaction"). Upon closing of the Transaction, Aimia Holdings UK Limited and Aimia Holdings UK II Limited will receive approximately $492.0 million in net cash proceeds, subject to certain adjustments to be made at closing pursuant to the Binding LOI and one or more definitive agreements to be prepared and executed by the parties in connection with the Transaction and reflecting the terms and conditions of the Binding LOI (the "Definitive Agreement"). In addition, an earn-out in an amount of approximately $25.0 million on a net basis, is payable to Aimia Holdings UK Limited and Aimia Holdings UK II Limited in cash should the PLM loyalty program achieve certain targeted annual gross billings amounts by 2024, subject to certain adjustments pursuant to the Binding LOI and the Definitive Agreement (the "Earn-Out Amount").

The closing of the Transaction is subject to entering into the Definitive Agreement, the receipt of required approval by Mexican antitrust authorities and the satisfaction of certain closing conditions, including consummation of the joint chapter 11 plan of reorganization of Grupo Aeromexico, S.A.B. de C.V. and certain of its affiliates on its effective date. As such, there is no assurance the Transaction will be completed or, if completed, will be on terms that are exactly the same as disclosed in the Binding LOI. In the event that the Transaction is not completed for any reason, there is a risk that the announcement of the Binding LOI and the dedication of resources to the conclusion thereof, and any transaction in connection thereto, may result in a negative impact on Aimia's financial position. A failure of the Transaction to materialize for any reason may incur losses to Aimia's reputational, market confidence, future operational, or financial position, in addition to compromising certain portions of Aimia's strategic plan. In addition, even if the Transaction is completed, there is no assurance that the Earn-Out Amount, in full or in part, will be paid to Aimia.

COVID-19

The COVID-19 pandemic has had an adverse impact on global economic conditions. This crisis may continue or worsen which may adversely impact Aimia investments, specifically the operations of the companies in which Aimia invests ("Investees"), in addition to those of their suppliers, contractors and service providers. The pandemic may impact our Investees' ability to obtain financing and maintain adequate liquidity, the demand for and ability to transport their products as well as their ability to advance their projects and other growth initiatives, which may in turn impact the valuation of our equity and debt investments. The global pandemic has caused companies and governments around the world to impose sweeping restrictions on the movement of people and goods, including social distancing measures, restrictions on group gatherings, isolation and quarantine requirements, closure of business and government offices, travel advisories and travel restrictions. Relevant jurisdictional authorities may introduce new, or modify existing, laws, regulations, orders or other measures that could impact our Investees' ability to operate or affect the actions of their suppliers, contractors and service providers. While some restrictions have been lifted, should restrictions be re-imposed and/or additional measures be implemented, this may prolong the economic downturn, which may adversely impact Aimia's investments and results of operations. The Corporation will continue to work actively to monitor the situation and implement further measures as required to mitigate and/or deal with any repercussions that may occur as a result of the COVID-19 outbreak.

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

Strong demand for air travel in the loyalty programs operated by Aimia's investee companies creates a significant dependency on the airline industry in general. Any disruptions or other material adverse changes in the airline industry, whether domestic or international, affecting any airline related to any of the loyalty programs which Aimia invests in could have a material adverse impact on its business. This could manifest itself in an inability to fulfill member's flight redemption requests or to provide sufficient accumulation opportunities, and would adversely affect Aimia's financial results as a result of lower returns on investment, particularly our investments in PLM as operator of the Club Premier business given this investment's exposure to the airline and travel sectors. A reduction in member use of these loyalty programs could impact their ability to retain their current commercial partners and members and to attract new commercial partners and members and adversely affect returns on investments. Such disruptions or changes may result from global health crises, war, terrorist attacks and security measures, casualty losses, extreme weather events, global and changes in domestic and foreign regulation.

The execution of the strategic plan

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

There can be no assurance that the strategic plan will succeed in whole or in part. Implementation of this plan presents various managerial, organizational, administrative, operational and other challenges. Aimia has a very lean senior leadership team upon which the successful execution of the strategic plan is dependent. The strategic plan may be affected by the following items:

- Aimia's ability to source, diligence, analyze and execute upon accretive, cash-flow generative new investment and/or acquisition targets, particularly with a lean senior leadership team; and
- Aimia's ability to recruit, develop, motivate and retain talented employees as required to implement and execute the strategic plan.

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

Investment risks, including in connection with how and when to deploy and invest Aimia's considerable cash and other liquid assets

Aimia is a holding company with a focus on making long-term investments in public and private companies, on a global basis, through controlling or minority stakes. The nature and timing of the use of Aimia's cash, other sources of liquidity and investments in implementing its strategic plan will be determined by Management and the Board at their discretion, and there can be no certainty, and Aimia cannot provide any assurance as to how, and when, such investments will be made and, if made, whether such investments will be successful and provide a satisfactory return above its cost of capital.

The success of Aimia's investment strategy will depend, in part, on Aimia's ability to:

- identify suitable investments;
- complete the investments on acceptable terms (including acceptable levels of valuation) and within expected time frames; and
- capitalize and execute on such investments, including integrating the acquisitions, and creating and executing on cost-saving and other synergies between new businesses acquired and Aimia's existing businesses and investments.

Valuation of certain investment opportunities, particularly investments in private issuers, may involve subjective determinations and the use of multiple valuation methodologies. As a consequence of imperfect information, valuations of private issuer investment opportunities are inherently uncertain and may fluctuate prior to or during an equity investment. As a consequence, Aimia may not be able to identify or accurately valuate appropriate investments. The fair market value of investments may also fluctuate and not be represented in the realized value of investment positions on disposition.

Market Price and Trading Volume of the Common Shares and Preferred Shares

The market price and trading volume of the common shares and/or the Preferred Shares may materially decrease or experience increased fluctuation due to a variety of factors, primarily in connection with the level of Aimia's success in executing on its strategic plan. In addition, Aimia's financial performance may be impacted by general market conditions of the worldwide economy that are outside of its control. These include, without limitation, fluctuations in the market prices and trading volumes of securities, actions by market actors, interest rates, availability of credit, national and international political events, economic instability, regulatory changes and actions by regulatory authorities, changes of law, war, terrorism, natural disasters, disruption of supply chains, and climate change, including as a result of the COVID-19 pandemic.

The effects of these and other factors on the market prices of the common shares and/or the Preferred Shares may result in volatility in the trading prices of the common shares and/or the Preferred Shares of Aimia, as well as volatility in the value of its equity investments. The market price of the common shares and/or the Preferred Shares may be affected by numerous factors beyond the control of Aimia. There can be no assurance that the market price of the common shares and/or the Preferred Shares will not materially decrease or experience significant fluctuations in the future, including fluctuations that are unrelated to the Corporation's performance.

Prior Performance Not Indicative of Future Results

The success of Aimia's prior investments may not necessarily be indicative of future results. There can be no assurance that successful investments opportunities continue to materialize or be properly assessed, or that past investments continue to generate profitable results. There is a possibility that any individual or the totality of Aimia's positions results in a loss.

Capital Requirements and Dilution

Aimia and its Investees may be required to raise additional debt or equity funds through public or private financing, strategic relationships or other arrangements, including debt financing, for a variety of purposes, including business acquisitions, to capitalize on unanticipated opportunities, as well as to respond to competitive pressures. Additional equity funding by Investees may reduce the percentage ownership interest of the Corporation in such Investees.

Investment Strategy Risks

In order to effectively capitalize on investment opportunities, Aimia may engage in certain investment strategies that increase the potential for both gains and losses as part of its holding company and investment management activities. The use of special investment techniques such as leverage, hedging, derivatives, or short selling may incur additional particular risks depending on market conditions, timing, availability of credit, or external market forces.

Expedited Transactions

From time to time, Aimia may make investment decisions on an expedited timeline in order to take advantage of particular time-sensitive opportunities. Aimia may conduct analyses or valuations on shorter timelines using limited information, which may incur additional risks due to the lack of complete or sufficiently detailed information.

Cash and Cash Equivalents

Aimia currently holds substantial cash and liquid assets and may hold them at any given time. These cash assets may be held in interest-bearing accounts or through financial instruments held by third parties. Adverse impacts on financial markets, or events outside of Aimia's control may result in a potential loss of assets held by third parties in the event of the failure of a financial institution.

Credit Risk

Aimia may extend credit, commercial loan, financing, or debenture agreements to its existing Investees or as part of its investment strategy. As a consequence of this lending activity, borrowers may be incapable or unwilling to make principal and interest payments on outstanding debt obligations. Insolvency, bankruptcy, or a failure of Borrowers to meet their debt obligations may result in adverse effects on Aimia’s financial performance and cash flows.

Competition

Aimia’s investment activities compete with a number of investment funds, banks, as well as strategic and institutional investors for investment opportunities. Competition may reduce the number of investment opportunities available to Aimia and may lead to unfavorable terms as part of any investment, including high purchase prices, or acquire any suitable investments that it identifies. Aimia’s asset management activities, through its subsidiary Mittleman Investment Management, compete in an active and growing industry. As a consequence, competition could have an adverse effect on management and performance fees with a negative impact on Aimia’s overall earnings.

Investment Partnership Risks

Aimia’s engagement in certain minority equity stakes, such as Clear Media Limited, Kognitiv, and TRADE X, incurs additional risks from third-party involvement. Third party investors in Aimia’s Investees may incur financial, regulatory, reputational risks, or liability through their conduct in a manner that is outside of Aimia’s control. Third party investors may also object to decisions or actions involving Investees that are contrary to Aimia’s business interests.

Aimia’s relationships with its partners in certain of its investments, such as TRADE X and Kognitiv Corporation, are governed by shareholders’ and investor rights agreements that set forth the shareholders’ rights and obligations, and typically contain transfer restrictions. Certain provisions of these shareholder agreements are complex, and the agreements are often governed by the laws of foreign jurisdictions. Disputes may arise between the shareholders. Aimia may incur significant costs, including legal fees, in exercising its rights under the shareholders’ agreements in the event of disputes, and there can be no assurance that such disputes will be resolved in Aimia’s favor.

Reliance on Investees Management

Aimia is currently engaged in certain minority equity stakes through its investments in Clear Media Limited, Kognitiv, and TRADE X. Aimia may be involved in certain matters related to strategic planning, the identification, negotiation and implementation of material acquisitions or capital markets transactions, the development of transformation, restructuring and other business plan and similar material matters but ultimately, Aimia rely on its Investees management to produce operating and financial results. The management of Aimia’s Investees may therefore engage in business, financial, or management decisions which impact the profitability of the Investee to the detriment of Aimia’s financial position. Aimia’s inability to effectively manage the risks associated with the conduct of Investees may adversely impact Aimia’s profitability and growth prospects.

In addition, Aimia’s activities as a holding company involves a degree of reliance on the management of Investees to adequately assess and mitigate risks specific to their industry sectors and business activities. Aimia’s Investees operate in diverse industry and geographic sectors, and Aimia may retain a minority equity stake in Investees. The methodologies, application, and considerations used by Investees in their risk management practices may not adequately take into account relevant factors including, without limitation, operational, economic, political, market conditions, strategic and regulatory risks. A failure on the part of Investees to adequately assess risks may have an adverse impact on Aimia’s financial conditions and profitability.

Private Issuer Investment Risks

As a long-term holding company, Aimia's business activities include investments in the securities of private issuers. Private issuers are not subject to the same disclosure requirements as public issuers and as a consequence, investment decisions may be made on limited information. Informed investment decisions are dependent on Aimia's due diligence processes, as well as reliance on the management of the target investee company to deliver accurate and complete information. The valuation of private companies is inherently difficult because of a certain level of uncertainty in the assumptions used to determine the fair value of these investments. As a consequence, the potential profitability of a private issuer may not materialize as initially predicted, which may cause a decline in Aimia's profitability.

Investments in private issuers are also subject to factors that are outside of Aimia's control including, but not limited to, inflation, availability of advantageous credit and financing opportunities, reliance on key and skilled personnel, employment matters, industry-specific risk factors, internal processes, competition, customer engagement and retention, regulatory compliance, taxation, effective management integration, production risks, technological displacement, research and development risks, data privacy, and litigation risk. Private issuer Investees may also become engaged in voluntary or involuntary bankruptcy or insolvency proceedings that create additional risks concerning the realization of Aimia's equity investments, debt repayments, litigation, and profitability.

Public Issuer Investment Risks

Aimia may also acquire equity interest in the securities of public issuers through investment or if private issuer Investees become public. The value of investments in public issuers may be materially impacted by market conditions, availability of credit and debt, and the issuance of securities. Public issuer corporations are also subject to a variety of global market fluctuations that may impact the value of share prices, availability of credit, and financing opportunities. Public issuers may also dilute existing equity investments through the issuance of new securities, which may impact the value and profitability of equity investments.

Follow-On Investments

As part of Aimia's investment in target investee companies, Aimia may benefit from the opportunity to provide additional equity to an Investee through the exercise of a warrant right for the purchase of additional securities, or additional diluted or non-diluted investment mechanisms. Aimia cannot guarantee that these rights will be exercised, nor that Aimia will be in a financial position to exercise these rights when they arise. Moreover, Aimia may not exercise these rights to invest even if the Corporation is in a financial position to do so. Aimia may invest in other opportunities, or choose not to exercise these rights to diversify its holdings. Discretionary actions to exercise or not exercise rights to additional investment may result in the failure to capitalize on future profitability of an Investee, or cause additional exposure in a manner that adversely impacts Aimia's profitability.

Concentration Risks

Concentration risk is the risk of particular exposure to the downturn in certain industry sectors, geographic regions or investment positions. Aimia's investment strategy may concentrate on particular industries, geographic regions, or corporations which may not be diversified. Market fluctuations and adverse events with a particular impact on a given market sector may cause a decline in the fair market value of Aimia's largest investments and have a material impact on its earnings.

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

Holding Company Liquidity Risks

Aimia makes certain investments in the securities of private companies and illiquid securities. These investments may offer relatively high potential returns, but may also be subject to a relatively higher degree of risk. From time to time it may be in the best interests of Aimia to exit these investments. However, securities of private companies and illiquid securities may not have a ready market and Aimia may not be able to sell such securities at acceptable prices on a timely basis or at all. Illiquidity may limit Aimia's ability to realize a return or to vary components of its investment portfolio promptly in response to changing conditions.

As a holding company, Aimia's ability to meet its obligations, including payment of operating expenses and dividends, depends in large part on dividends from its principal investments. Dividends from these investments are dependent on the operating performance, profitability and financial position of these investments. Reductions in the operating performance, profitability or financial position of Aimia's investments, or the inability to monetize investments in a timely manner, may negatively impact our ability to meet our obligations.

Reliance on Key Personnel

Aimia has a very lean senior leadership team. Aimia's strategic plan relies on such team and requires it to have a hands-on operational approach to managing existing businesses and portfolio companies in which Aimia invests. Aimia's success depends on the abilities, experience, industry knowledge and personal efforts of its Management and other key employees, including the ability to retain and attract skilled employees at appropriate compensation levels as Aimia develops and grows pursuant to its strategic plan.

The loss of the services of members of our Management team, and any other key employees, could have a material adverse effect on our business, financial condition or future prospects. Aimia's strategic plans may also put additional strain and demand on senior Management and key employees and produce risks in both productivity and retention levels. In addition, we may not be able to attract and retain additional qualified management as needed in the future.

Operational Risks

Aimia is subject to certain operational risks due to the nature of its business activities as a holding corporation, and is dependent on its management, key personnel, and processes. These include, without limitation, human errors, documentation errors, breach of regulatory obligations, failures of internal processes, fraud or negligent conduct, and improper disclosure during the ordinary course of its investment and wealth management activities. A failure to adequately assess operational risks may lead to adverse impacts on Aimia's financial position, legal and regulatory consequences, and reputational damage. Aimia's code of conduct and internal processes mitigate against these risks, but a certain degree of operational risk is inevitable in the process of Aimia's business activities.

In addition, Aimia is dependent on the proper functioning of its business infrastructure and information systems. These include software, technology, and telecommunications systems necessary for the efficient conduct of Aimia's business activities. A failure in these key systems, including the event of a cybersecurity or data security incident, may lead to financial losses, interruptions of service, breach of confidential information, and reputational damage, all of which may have an adverse impact on profitability and financial positions.

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

Uncertainty of Dividend Declarations and/or Payments on either Common Shares or Preferred Shares

Given the Corporation's strategic plan to focus on long-term investments in public and private companies, on a global basis, through controlling or minority stakes, Aimia currently has no intention of resuming the declaration and payment of regular dividends on its common shares in the foreseeable future as it intends to deploy and invest its cash and other sources of liquidity in the implementation of its strategic plan.

Furthermore, while Aimia is, as of the date hereof, up to date on the declaration and payment of the quarterly dividends on our outstanding Preferred Shares, any future decision and/or inability by Aimia to declare and/or pay dividends on our Preferred Shares could have an adverse effect on the trading price or value of such shares.

Under the terms of Aimia's Preferred Shares, Aimia is subject to tax under Part VI.1 of the Income Tax Act (Canada) (the "ITA") associated with dividends paid on its Preferred Shares. For corporations subject to Part VI.1 tax, there is an equivalent Part I tax deduction. As permitted under the ITA, a corporation may allocate its Part VI.1 tax liability and equivalent Part I tax deduction to its related subsidiaries. Aimia can provide no assurance that under its newly announced strategic plan, it will have sufficient taxable income and equivalent Part I tax available to be reduced from the Part VI.1 tax associated with future dividends paid on the Preferred Shares. If there is no equivalent Part I tax reduction, Aimia or its remaining related Canadian subsidiary will have non-capital losses that can be carried forward under rules specifically provided under the ITA. See "Risks and uncertainties affecting the business - Tax losses", below.

As a result of Preferred Shares dividend payments, Aimia will be liable to pay Part VI.1 tax at a rate of 40% of these dividends payments. Aimia can provide no assurance that it will be able to recover or mitigate the effect of any Part VI.1 tax that is required to pay in respect of the 2020 tax year, and any such recurring Part VI.1 tax would adversely impact Aimia's earnings and liquidity.

There can be no assurance that Aimia has not been, and will not be, a "passive foreign investment company" (a "PFIC") for United States ("U.S.") federal income tax purposes for any prior taxable year or during the current taxable year. If Aimia were a PFIC for any taxable year in which a U.S. shareholder held our shares, then the U.S. federal income tax consequences could be materially and adversely worse for such holder of our shares as compared to if Aimia is not a PFIC.

In general, a non-U.S. corporation will be a PFIC with respect to a U.S. holder of shares if, for any taxable year in which the U.S. shareholder holds shares, either (i) at least 75% of the corporation's gross income (without reduction for operating expenses) for the taxable year is passive income or (ii) at least 50% of the average value of its assets is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income includes, among other things, dividends, interest, rents or royalties (other than certain rents or royalties derived from the active conduct of a trade or business), annuities, and gains from assets that produce passive income. If a non-U.S. corporation owns at least 25% by value of the stock of another corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income.

PFIC classification status depends upon the composition of a non-U.S. corporation's income, assets and activities from year-to-year as well as the application of complex U.S federal income tax rules, which are subject to differing interpretations. Based on its income, assets, and activities, Aimia does not believe that it was a PFIC for the taxable years ending December 31, 2021 and December 31, 2020. In addition, Aimia believes that it should not be a PFIC for the taxable year ending December 31, 2022. However, this determination is factual in nature and cannot be made until the close of the tax year in question. Therefore, no assurance can be provided that Aimia has not been, and will not be, a PFIC for any prior taxable year nor during the current taxable year. If Aimia were a PFIC for any taxable year in which a U.S. shareholder held shares, then the U.S. federal income tax consequences could be materially and adversely worse for such holder of shares as compared to if Aimia is not a PFIC.

If Aimia were a PFIC for any taxable year during which a U.S. shareholder held shares, and such U.S. shareholder does not make a “mark-to-market” election or a “qualified electing fund” election (each discussed below), then generally any gain recognized by such U.S. shareholder upon the sale or other disposition of shares would be allocated ratably over such holder’s holding period for the shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before Aimia became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year (without reducing such amount for offsetting deductions or losses) would be subject to tax at the highest rate on ordinary income in effect for individuals or corporations, as appropriate for that taxable year, and an interest charge would be imposed on the resulting tax liability. Further, to the extent that any distribution received by a U.S. shareholder on its shares exceeds 125% of the average of the annual distributions on the shares received during the preceding three years or the U.S. shareholder’s holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. The favourable U.S. tax rates generally applicable to long-term capital gains with respect to dividends paid to noncorporate U.S. shareholders would not apply.

A U.S. shareholder that owns shares in a PFIC can avoid certain of the adverse rules described above by making a mark-to-market election with respect to its shares, provided that the shares are “marketable.” Shares will be marketable if they are “regularly traded” on a “qualified exchange” or other market within the meaning of applicable Treasury regulations. If a U.S. shareholder makes the mark-to-market election, it generally will recognize as ordinary income any excess of the fair market value of the shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. shareholder makes the election, the holder’s tax basis in the shares will be adjusted to reflect the income or loss amounts recognized. Any gain recognized on the sale or other disposition of shares in a year when Aimia is a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election).

In addition, a U.S. shareholder that owns shares in a PFIC can also avoid certain of the adverse rules described above by making a “qualified electing fund” election (a “QEF Election”) with respect to such PFIC if the PFIC provides the information necessary for such election to be made. If a United States person makes a QEF Election with respect to a PFIC, the United States person will be currently taxable on its pro rata share of the PFIC’s ordinary earnings and net capital gain (at ordinary income and capital gain rates, respectively) for each taxable year that the entity is classified as a PFIC and will not be required to include such amounts in income when actually distributed by the PFIC. Aimia does not currently plan to provide information necessary for U.S. shareholders to make QEF Elections. Subject to certain exceptions, if a U.S. shareholder were to own shares during any taxable year in which Aimia is a PFIC, that holder generally will be required to file IRS Form 8621 both with respect to Aimia and with respect to any lower-tier PFICs. Significant penalties are imposed for failing to file IRS Form 8621, and the failure to file such form may suspend the running of the statute of limitations for U.S. federal income tax purposes.

U.S. shareholders are urged to consult their own tax advisors regarding the adverse tax consequences if Aimia were a PFIC for any relevant taxable year.

Tax losses

Aimia is carrying forward both operating and capital tax losses that it may be able to utilize in the future. There can be no certainty that Aimia will be able to utilize these losses going forward and the value of these losses could be adversely impacted in many ways, including changes in tax legislation. In addition, certain of the losses carried forward will expire if not used within a certain period of time. If there were to be a change of control of the Corporation as defined under applicable tax laws, such a change of control could significantly reduce the value of the tax losses being carried forward, in some cases reducing them to nil.

Technological Disruptions and Inability to use Third-Party Software and Outsourcing

In order to achieve cost and operational efficiencies and to have access to leading processes and solutions, specialized expertise and innovation, we outsource to third-party vendors many of the information technology systems and other services that are integral to our operations. A failure to adequately manage our third-party service providers or to monitor our third party service providers' compliance with regulatory or legal requirements could result in economic and reputational harm to us. There is also a risk that the confidentiality, privacy and/or security of data held by third parties or communicated over third party networks or platforms could become compromised, which could significantly harm our business even if the attack or breach does not impact our systems. In addition, the management of multiple third-party vendors increases our operational complexity and decreases our control.

Research and Technology Development Risk

The due diligence and research processes involved in the assessment of potential investment opportunities and the performance of investment opportunities results in considerable resources being deployed. In some cases, the due diligence process may reveal risks in an investment opportunity that result in Aimia discontinuing research in favor of other opportunities.

Aimia relies on a number of information technology platforms and systems in order to adequately assess investment opportunities. In addition, a number of Aimia's investee corporations are engaged in software and technology development that may incur significant costs. A disruption in the capacity of either Aimia or its Investees to adequately source and track technological developments may lead to the loss of competitive advantage or profitability. In addition, the failure of research and development projects to produce market-ready and profitable applications of newly developed technology may impact the earnings and profitability of Aimia's investee corporations.

Reputational Risk

Reputational risk is the potential that adverse publicity, whether true or not, may cause a decline in a corporation's performance due to damage to its corporate image. Aimia's earnings, liquidity, share price, or client base of Aimia's Investees may be negatively impacted in the event that negative publicity is associated with Aimia or with Aimia's Investees. This risk is heightened in cases where Aimia's investee portfolio contains minority positions in Investees such that Aimia does not have significant control over the management of investee company's conduct. Reputational risk cannot be managed in isolation, as it often arises as a results of operational, regulatory or other risks inherent to its business or Aimia Investees' business. For these reasons, Aimia's framework for reputational risk management is integrated into all other areas of risk management and is a key component of Aimia's code of ethics of which Aimia's employees are expected to observe. Aimia places a high emphasis on safeguarding its reputation, as once compromised, it can be difficult to restore.

Conflicts of Interest

Due to the nature of Aimia's activities as a holding corporation, Aimia relies on its key personnel to identify investment opportunities with long-term growth potential. In addition, members of Aimia's board of directors will, from time to time, in their individual capacities, deal with parties with whom the Corporation may be dealing or may be seeking investments similar to those desired by the Corporation. The management of Investees in which Aimia has a minority equity stake may engage in business decisions at the company or individual level that conflict with Aimia's overarching interests. Directors or officers of the Corporation, its subsidiary, and Investees may also be directors or officers of companies that conflict with the business interests of Aimia or its subsidiaries. Applicable corporate law contains conflict of interest provisions requiring members of the board of directors to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. In addition, Aimia has sought to mitigate any real or perceived conflicts of interest by contractually requiring its management team to refrain from engaging in activities that may give rise to such conflicts of interest. Aimia's Code of Ethics, applicable to all of Aimia's directors, officers and employees, also provides (i) the general rules applicable to common conflicts of interest, (ii) that Aimia's directors, officers and employees have to disclose to the Corporation any situation that arises that is, or could be, an actual, perceived or potential conflict of interest, and (iii) that all employees must annually complete an Acknowledgement confirming compliance with the Code of Ethics. Finally, any material conflicts of interest identified to Aimia's board of directors may be dealt with by way of the establishment of a special committee of Aimia's board of directors, to provide additional safeguards.

Escrow Shares and Earn-Out Shares

On June 19, 2020, Aimia acquired all outstanding shares of Mittleman Brothers LLC, the parent company of Mittleman Investment Management, LLC ("MIM" and the overall transaction, the "Mittleman Acquisition"). The consideration for the Mittleman Acquisition consisted of US$4.6 million paid in cash at closing of the acquisition (the "Acquisition Closing") and up to approximately 4.2 million common shares of Aimia. The consideration in common shares of Aimia includes 1.5 million common shares issued to the sellers (which include members of Aimia's current management team (the "Management Sellers")) (collectively, the "Sellers") at the Acquisition Closing 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 common shares are subject to forfeiture and/or clawback clauses, and have already been issued and deposited in escrow (the "Escrowed Shares"). The remaining 1.1 million common shares will be issued upon achieving the performance related targets (the "Earn-Out Shares").

The Escrowed Shares and the Earn-Out Shares are linked to two (2) performance targets (the "Performance Targets"): (i) the volume weighted average price of the common shares of Aimia on the TSX for any 20 consecutive trading day period being equal to or higher than $6.00, and (ii) a significant increase in MIM's assets under management ("AUM"). For the Escrowed Shares and the Earn-Out Shares to be released in full, one (1) of the two (2) Performance Targets has to have been achieved before the 4th anniversary of the Acquisition Closing. If none of the Performance Targets are met, no Earn-Out Shares will be issued, a portion of the Escrow Shares will be forfeited and the remaining portion of the Escrow Shares will be remitted to the Sellers.

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

In addition, a portion of the Escrow Shares allocated to Philip Mittleman and Chris Mittleman can be clawed back by Aimia under certain circumstances tied to their respective employment agreements (the “Clawback”).

While the Management Sellers in their capacity as members of Aimia’s management team and board of directors are required to act in the best interests of Aimia and to recuse themselves from material discussions by the board of directors on the above matters, their ability to act in their own interests in order to meet one of the Performance Targets and to receive all Escrowed Shares and Earn-Out Shares and/or to avoid the Clawback may create a conflict of interest between Aimia, on the one hand, and such Management Sellers, on the other.

Investments by MIM

MIM provides discretionary portfolio management and advisory services to high-net-worth individuals and various types of institutional clients and to one private investment fund, Precog Capital Partners, L.P. (of which Aimia is a significant investor, with ownership of more than 80% of its limited partnership interests) (“Precog”). MIM conducts research, makes investment decisions for its client accounts, and generally selects the broker-dealers for the execution of client transactions. Shares of Aimia’s common stock (representing less than 10% of issued and outstanding common shares) are currently held by Precog and in the investment accounts of MIM’s clients and as a result, MIM has control over such shares of Aimia. MIM has therefore a certain (but limited) influence with respect to certain matters submitted to Aimia’s shareholders for approval, and in considering such matters their interest may not always align with the interests of our other shareholders.

Aimia’s interest might not always be aligned with those of MIM’s clients or Precog and thus might be in conflict. Further, any reduction in the ownership or control of shares of Aimia by Precog or the investment accounts of MIM may cause the market price of the common shares to decline.

Financial Fraud

Instances of fraud and other deceptive practices committed by Aimia's personnel or by senior management or employees of the businesses in which we invest may materially and adversely affect Aimia's or their financial condition, reputation and prospects and, in the case of Aimia's investments, the value of Aimia's investments. Instances of fraud may also undermine Aimia's due diligence efforts such that Aimia may make investments that it would otherwise not have made or would have made on significantly different terms. Misconduct by employees could include entering into binding transactions that exceed authorized parameters or present unacceptable risks, or, in certain contexts, the concealment of unauthorized or unsuccessful investment activities. It is not always possible to deter fraud or other deceptive practices and the systems in place to prevent and detect such activity may not be effective in all circumstances.

Insurance

Regardless of Aimia's effectiveness in monitoring and administering established compliance policies and procedures, the Corporation, and any of its directors, officers, employees and agents, may be subject to liability or fines which may limit the ability of each to conduct business. Aimia maintains various types of insurance to cover certain potential risks and continuously evaluate the adequacy of this coverage. In recent years, the cost of obtaining insurance has increased significantly. There can be no assurance that certain insurance coverage will be obtainable on economic terms in the future.

Regulatory Matters

Aimia is subject to applicable securities, anti-bribery, competition, labour, money-laundering, and tax laws as well as the decisions of regulatory bodies in the jurisdictions where it conducts its activities. Changes in the regulatory regime through changes in the laws applicable to Aimia's activities, as well as decisions by regulatory authorities may result in additional compliance costs. Failures of compliance may result in fines, temporary or permanent restrictions on the capacity of Aimia to engage in its activities.

Privacy Laws

The Corporation is also subject to laws and regulations with respect to privacy regarding the collection, use, share or otherwise process personal information belonging to its clients, employees, consultants and third parties. These laws and regulations are subject to frequent modifications and require ongoing supervision. Failure to comply with such laws and regulations could lead to significant fines and penalties imposed by regulators, as well as claims by the Corporation's employees, consultants or third parties.

Regulatory Matters – Asset Management

Through its wholly owned subsidiary Mittleman Investment Management, a part of Aimia's business activities operates in the asset management sector as a registered Investment Adviser Firm. Regulatory and statutory changes at the provincial, state, and federal level in the United States and Canada concerning, without limitation, Investment Adviser designations, individuals (including high net worth), pooled investment vehicles, pension plans, and charitable organizations may increase compliance costs to the detriment of profitability. The actions of regulatory bodies may also increase the cost of compliance or have an adverse effect on Aimia's profitability including the revocation or restriction on licenses to conduct certain business activities, fines, and suspensions or expulsions from involvement in certain market activities. Regardless of Aimia's code of conduct and supervision of asset management activities, misconduct on the part of Aimia's key personnel, employees, or agents may heighten the risk of legal action, limit the conduct of business, or have an adverse effect on Aimia's reputation. Aimia maintains insurance to mitigate the potential risks associated with its asset management activities.

Foreign Operations, Interest Rate and Currency Fluctuations

A portion of the operations of the companies in which Aimia has investments are located outside of Canada with Aimia's corporate costs largely based in Canada. Aimia is subject to the risks of doing business internationally, including changes to foreign laws and regulations, changes to tax exposure and liabilities, war, terrorism, civil unrest, expropriation, general changes in foreign economic markets and geopolitical conditions. In addition, Aimia's financial results are sensitive to the changing value of the Canadian dollar and foreign operations are sensitive to the fluctuations of other currencies. A significant deterioration of the Canadian dollar relative to any of these other currencies could have a negative impact on Aimia's results of operations or financial position.

Legal Proceedings

The Corporation, its Investees, and/or their respective directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit, which could adversely affect the business of the Corporation. Defence and settlement costs of legal claims can be substantial, even with respect to claims that are without merit. In addition, as part of the disposal of the Aeroplan and Loyalty Solutions businesses, Aimia made, certain representations and warranties to the respective purchasers of those businesses and agreed to indemnify them in the event of certain losses. Some of these representations and warranties and indemnification obligations will not expire for a significant period of time or at all. While no claims have been made at this time in respect of these representations and warranties, there can be no guarantee that claims will not be made in the future. In addition, the disposition of certain equity stakes in the future may incur increased litigation risks. Aimia may be required to make certain representations, warranties, or indemnifications in connection with the financial condition of Aimia and its Investees to potential borrowers, creditors, investors, or purchasers. The disposition of equity stakes may also result in additional litigation risk due to Aimia's position as a public issuer concerning the contents, accuracy, representations, divulgation, and publication of public disclosure documents.

Should any litigation or claims in which the Corporation, its Investees, and/or their respective directors and officers be determined against such party, such a decision could adversely affect the Corporation's business, financial condition, results of operations and/or the market price for the securities of the Corporation. Even if the Corporation is involved in litigation or claim and has the matter decided in its favour, litigation or claim can redirect significant company resources. Management of the Corporation is committed to conducting its business in an ethical and responsible manner which it believes will reduce the risk of conflict and legal disputes with third parties. However, if the Corporation is unable to resolve any potential future legal disputes favourably, it could have an adverse impact on the Corporation's business, financial condition and the results of operations.

Audits by Tax Authorities

In the ordinary course of business, the Corporation is subject to ongoing audits by tax authorities. While Aimia believes that its tax filing positions are appropriate and supportable, from time to time, certain matters are reviewed and challenged by the tax authorities. Should an outcome of any such review or challenge materially differ from existing provisions, the Corporation's effective tax rate, its earnings, and its liquidity and working capital position could be materially affected (positively or negatively) in the period in which matters are resolved.

NON-GAAP FINANCIAL MEASURES FOR INVESTMENTS

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

PLM Adjusted EBITDA

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

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

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

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

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

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020
Earnings before net financial expense and income tax expense	**18.6**	9.1	**57.6**	39.8
Depreciation and amortization	0.7	0.7	2.7	2.7
Adjustments:				
Change in deferred revenue				
Gross Billings	72.4	48.5	234.4	197.5
Revenue	(66.4)	(46.7)	(219.5)	(188.7)
Change in Future Redemption Costs [(b)]	(3.1)	(0.1)	(5.4)	(0.6)
Subtotal of adjustments	**2.9**	1.7	**9.5**	8.2
PLM Adjusted EBITDA [(a)]	**22.2**	11.5	**69.8**	50.7

(a) A non-GAAP measure.

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

Free Cash Flow

Free Cash Flow is a non-GAAP measure, does not have a standardized meaning and is not comparable to similar measures used by other issuers. It is used in order to provide a consistent and comparable measurement of cash generated from operations and used as indicators of financial strength and performance.

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

A reconciliation of Free Cash Flow to cash flows from operating activities (GAAP) is presented below.

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020
Cash flows from (used in) operating activities	**26.5**	25.1	**111.9**	(41.9)
Capital expenditures	(0.8)	(1.7)	(2.0)	(2.2)
Free Cash Flow [(a)]	**25.7**	23.4	**109.9**	(44.1)

(a) A non-GAAP measure.

KOGNITIV

Kognitiv Adjusted EBITDA

Adjusted EBITDA for Kognitiv ("Kognitiv Adjusted EBITDA") is earnings before net financial income (expense) and net income tax expense adjusted to exclude depreciation, amortization, shared-based compensation, restructuring expenses, business acquisition/disposal related expenses and impairment charges related to non-financial assets.

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

Kognitiv Adjusted EBITDA is used by Aimia and Kognitiv's management to evaluate performance. Aimia and Kognitiv's management believe Adjusted EBITDA assists investors in comparing Kognitiv's performance on a consistent basis excluding depreciation, amortization, impairment charges related to non-financial assets, share-based compensation, which are non-cash in nature and can vary significantly depending on accounting methods as well as non-operating factors such as historical cost. Aimia and Kognitiv's management believe that the exclusion of restructuring and business acquisition/disposal related expenses assists investors by excluding expenses that are not representative of the run-rate cost structure of Kognitiv.

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2021	2020	2021	2020 [(c)]
Loss before net financial income and income tax expense [(b)]	**(15.5)**	(12.2)	**(50.7)**	(20.8)
Depreciation and amortization	0.3	0.3	1.1	1.1
Share-based compensation	1.8	0.7	3.8	1.5
Restructuring expenses	0.2	1.2	0.7	2.0
Kognitiv's Adjusted EBITDA [(a)(b)]	**(13.2)**	(10.0)	**(45.1)**	(16.2)

(a) A non-GAAP measure.

(b) Loss before net financial income and income tax expense as well as Kognitiv's Adjusted EBITDA are presented on a continuing operations basis, excluding ISS discontinued operations.

(c) The Kognitiv transaction closed on June 18, 2020.

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

GLOSSARY

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

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

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

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

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

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

"BIGLIFE" - means BIGLIFE Sdn Bhd (formerly Think Big Digital Sdn Bhd), the owner and operator of BIG Rewards, a loyalty and lifestyle program;

"Breakage" - means the estimated Loyalty Units sold which are not expected to be redeemed. By its nature, Breakage is subject to estimates and judgment;

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

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

"CPSA" - means the Amended and Restated Commercial Participation and Services Agreement, dated June 29, 2020, between Aeromexico and PLM;

"CRA" - means the Canada Revenue Agency;

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

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

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

"IFRS" - means International Financial Reporting Standards;

"Kognitiv" - means Kognitiv Corporation, a Canadian B2B technology platform and services company;

"Limited Partners Capital Liability" - means the capital in Precog Capital Partners, L.P. that is not owned by the Corporation;

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

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

"MIM" - means Mittleman Investment Management LLC;

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

"Precog" - means Precog Capital Partners L.P., a Delaware limited partnership whose general partner and investment manager is MIM, that is consolidated in the Corporation's financial statements;

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

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

ADDITIONAL INFORMATION

Additional information relating to Aimia and its operating businesses, including Aimia's Annual Information Form dated March 29, 2022, is available on SEDAR at www.sedar.com or on Aimia's website at www.aimia.com under “Investor Relations”.