



(All figures in Canadian dollars unless otherwise noted)

## AIMIA REPORTS THIRD QUARTER 2022 RESULTS

Toronto, November 9, 2022 – Aimia Inc. (TSX: AIM) reported its financial results for the three months ended September 30, 2022.

### Q3 2022 financial highlights:

HIGHLIGHTS <i>(in millions of Canadian dollars, except per share amounts)</i>	Three Months Ended September 30,		
	2022	2021	YoY % Change
<b><u>Consolidated</u></b>			
Income	533.9	7.0	**
Expenses*	15.9	3.1	**
Earnings before income taxes	518.7	4.7	**
Net earnings	517.5	3.5	**
Basic Earnings per Common Share	5.93	-	**
Distributions received from PLM	-	6.3	**
Cash used in Operating Activities	(4.2)	(1.0)	**

\* Q3 2022 Expenses include a goodwill impairment charge of \$11.4 million and a litigation provision of \$4.0 million.

\*\* Information not meaningful.

Phil Mittleman, Chief Executive Officer of Aimia, said: “We are pleased with our third quarter results, the highlights of which included earnings of \$5.93 per common share, primarily due to the close of the PLM transaction, whereby Aimia recognized a gain net of tax of \$530.6 million. We have repurchased over 8 million shares of our common stock year to date, and we remain actively focused on investing in companies with long track records of free cash flow generation, that will also utilize our \$785 million in tax losses. We currently have a robust pipeline of opportunities, some of which are in advanced discussions. We look forward to sharing further information with you in the near future.”

### Q3 2022 Highlights and Subsequent Events:

- Aimia reported income of \$533.9 million mainly related to a \$530.6 million gain on the divestiture of PLM. Consolidated net earnings were \$517.5 million.
- Aimia closed the PLM transaction on July 15, 2022 and received \$537.3 million in proceeds net of tax and transaction costs during the quarter. In addition, an earn out will be payable in cash for approximately \$28.2 million on a net basis should the PLM loyalty program achieve certain targeted annual gross billings amounts by 2024.

### Use of PLM Proceeds:

- Aimia is pursuing investments in cash generating businesses, which will utilize Aimia’s sizeable tax losses.

- Year-to-date November 8, 2022 Aimia has repurchased 8,254,907 million shares for a total of \$36.3 million. As of today's date, there are 84,233,305 shares outstanding.

This quarterly earnings release should be read in conjunction with Aimia's condensed interim financial statements and MD&A for the three and nine months ended September 30, 2022, which can be accessed on SEDAR as well as on Aimia's website under Investor Relations.

### **Holdings segment results for Q3 2022**

During the third quarter of 2022, income from investments was \$533.6 million, compared to \$6.5 million of income in the same quarter last year mainly due to:

- Gain on disposal of equity-accounted investments related to the PLM transaction of \$530.6 million;
- Aimia's non-cash equity pick-up of its share of Kognitiv's net loss of \$6.5 million in the third quarter, compared to a share of net loss of \$1.7 million in the same quarter last year, which also included Aimia's share of equity earnings from PLM in the comparative period;
- Positive net change in fair value of investments of \$7.8 million in the third quarter mainly driven by foreign currency strengthening compared to the Canadian dollar on our TRADE X and Clear Media investments, compared to positive net change in fair value of investments of \$7.9 million in the same quarter last year, and
- Income, dividend, and other investment income of \$1.7 million in the third quarter, compared to \$0.3 million in the same quarter last year primarily due to interest income earned on the TRADE X and Kognitiv convertible notes.

Expenses (excluding a goodwill impairment charge of \$11.4 million) were \$4.1 million, up \$1.4 million from last year's quarter, mainly due to:

- An increase of \$1.6 million in compensation expenses, driven mainly by a \$4.0 million litigation provision, offset in part by a decrease of \$2.3 million of share-based compensation and other performance awards mainly due to a larger reduction in price per common share this quarter compared to the same quarter last year, as well as lower vesting expense of the DSUs; and
- A decrease in professional, advisory and service fees as well as insurance, technology, and office related expenses of \$0.2 million.

### **Equity-accounted Investment Performance Summary**

#### **KOGNITIV**

Aimia owns a 48.8% equity stake in Kognitiv as of September 30, 2022.

Kognitiv's revenues are derived from platform subscriptions and commerce activity to global clients across the financial services, media, telecom, travel and hospitality and retail industries.

Customer retention at Kognitiv continues to be very high as it has renewed contracts with major brands such as HSBC, National Australia Bank and Avis earlier this year.

Kognitiv is undertaking a series of initiatives to reduce costs and drive efficiency as it rolls out its commercial offering, which is expected to drive the company towards positive EBITDA and to secure additional sources of financing as necessary.

The table below summarizes the performance of Kognitiv for the three and nine months ended September 30, 2022 and 2021. A detailed analysis of its performance is available in the MD&A:

Kognitiv (millions of Canadian dollars)	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenue <sup>(1)</sup>	13.5	14.0	42.0	41.5
Net loss	(10.8)	(9.6)	(40.1)	(36.6)
Adjusted EBITDA <sup>(1)(2)</sup>	(7.9)	(8.5)	(28.9)	(31.9)

1. Kognitiv's financial results are presented on a continuing operations basis, excluding ISS discontinued operations.

2. A non-GAAP measure. Non-GAAP financial measures are defined and reconciled to the most directly comparable GAAP measures in the section "Non-GAAP Financial Measures and Reconciliation to Comparable GAAP Measures" of this earnings release. See caution regarding Non-GAAP financial measures at the end of this earnings release.

## Other Investments

### TRADE X

Aimia owns a 10.8% fully diluted equity stake in TRADE X as of September 30, 2022.

TRADE X is a global B2B cross-border automotive trading platform that connects buyers and sellers through an online marketplace powered by the TRADE X 'Brain' platform, a machine-learning, AI-driven technology which aids sellers in finding the world's highest bidders and gives buyers access to the best source markets.

On July 27, 2021, Aimia invested \$44.0 million (US\$35.0 million) as the lead investor of the convertible preferred shares funding round for TRADE X, at a US\$250 million pre-money valuation.

On December 17, 2021, Aimia invested an additional \$31.6 million (US\$25.0 million) in a convertible note of TRADE X, the proceeds of which were used by TRADE X to continue executing its growth strategy. The convertible note has the option to convert to equity at a discount to the pre-money valuation of TRADE X's next qualified financing.

As of September 30, 2022, the fair value of the preferred shares has been estimated at \$47.9 million (US\$35.0 million), and the fair value of the convertible note has been estimated at \$37.4 million (US\$27.3 million).

TRADE X generated gross vehicle sales (GVS) of approximately \$176.0 million in the third quarter of 2022, a significant increase from the same period last year, mainly the result of acquisitions closed at the end of the third and into the fourth quarter, but tracking below the full year guidance of approximately \$1.0 billion that Aimia provided in its Q4 2021 earnings release as a result of a pullback in the volume and price of vehicles sold, primarily due to the company refocusing its business by reducing inventory risk and associated working capital needs, and focusing more on a transactional model. Aimia now expects TRADE X to generate gross vehicle sales of between \$800 to \$900 million for the full year in 2022.

## **CLEAR MEDIA**

Aimia owns an indirect 10.85% shareholding in the privatized Clear Media as of September 30, 2022.

Clear Media is the largest operator of bus shelter advertising panels in China, with leading market shares of more than 70% in top-tier cities, including Shanghai, Guangzhou and Beijing, and broad presence in fast growing cities across the country. Clear Media provides one-stop solutions for nationwide advertising campaigns to their customers, through a network of more than 72,000 panels covering twenty-four cities, and 536 digital panels as of December 31, 2021.

In the nine months ended September 30, 2022, facing the resurgence of COVID-19 cases, China continued to apply zero-COVID policy, which has triggered full and partial lockdowns in many Chinese cities, including Shanghai, Beijing, and Guangzhou. These lockdowns are significantly affecting the demand for outdoor advertising and therefore, Clear Media's revenue are lower than in the same period in 2020 when Covid lockdowns began to unwind. Clear Media is in the process of mitigating these impacts via various cost-saving plans and delays in capital expenditures compared to normal course.

As of September 30, 2022, the fair value of the indirect investment in Clear Media Limited has been estimated at \$62.3 million. Aimia recognized an unrealized fair value gain of \$3.5 million and an unrealized fair value loss of \$6.0 million during the three and nine months ended September 30, 2022, respectively, with the year-to-date unrealized fair value loss mainly due to the impacts of COVID-19 related lockdowns in China on demand for outdoor advertising, which have caused delays in the execution of Clear Media's business plan, offset in part by the strengthening of the Hong-Kong dollar versus the Canadian dollar.

### **Balance sheet and Liquidity**

As of September 30, 2022, Aimia had cash and cash equivalents of \$521.0 million.

Aimia's liquid portfolio of publicly listed equities had a market value of \$36.6 million at the end of the third quarter of 2022 (excluding marketable securities held through Precog, presently valued at \$15.9 million).

Aimia is seeking to acquire companies with long track records of free cash flow generation that will also utilize Aimia's sizeable tax assets.

### **Available Tax Losses**

Tax losses approximated \$785 million as of September 30, 2022, comprised of \$390 million in capital losses and \$395 million in net operating losses.

### **Returns to Shareholders**

#### **Normal Course Issuer Bid (NCIB)**

On June 17, 2022, Aimia announced it had received approval from the Toronto Stock Exchange for the establishment of a new NCIB to repurchase for cancellation up to 7.8 million common shares during

the period from June 21, 2022 to no later than June 20, 2023. On July 29, 2022 in connection with this program, it entered into an automatic share purchase plan.

During the third quarter, Aimia repurchased 7,327,331 common shares at an average price per share of \$4.40 for a total consideration of \$32.3 million.

Subsequent to September 30, 2022, Aimia repurchased 384,300 common shares under its new NCIB at an average price per share of \$3.55 for a total consideration of \$1.4 million.

## **Dividends**

Dividends of \$3.1 million were paid on September 30, 2022 on the two series of outstanding preferred shares.

On November 8, 2022, the Board of Directors declared quarterly dividends of \$0.300125 per Series 1 preferred share and \$0.375688 per Series 3 preferred share. Dividends on the Series 1 and Series 3 preferred shares will be payable on December 30, 2022, to shareholders of record at the close of business on December 16, 2022.

## **Quarterly Conference Call and Audio Webcast Information**

Aimia will host a conference call to discuss its third quarter 2022 financial results at 8:30 a.m. EDT on November 9, 2022. The call will be webcast at the following URL link:

<https://app.webinar.net/Pn1xIERQd4g>

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

Aimia's third quarter 2022 Financial Statements, Management Discussion & Analysis, and Financial Highlights Presentation will be filed on SEDAR.com around 7:00 a.m. EDT on November 9, 2022, as well as on Aimia's website under Investor Relations.

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

## Appendix

The highlights for the nine months ended September 30, 2022 and 2021, are as follows:

HIGHLIGHTS	Nine Months Ended September 30,		
	2022	2021	YoY % Change
<i>(in millions of Canadian dollars, except per share amounts)</i>			
<b><u>Consolidated</u></b>			
Income	487.6	18.4	**
Expenses*	23.5	17.8	32.0%
Earnings before income taxes	467.3	1.7	**
Net earnings (loss)	463.4	(1.8)	**
Basic Earnings (loss) per Common Share	5.08	(0.12)	**
Distributions received from PLM	2.9	21.4	-86.4%
Cash from (used in) Operating Activities	(11.7)	0.2	**

\* Expenses for the nine months ended September 30, 2022, include a goodwill impairment charge of \$11.4 million and a litigation provision of \$4.0 million.

\*\* Information not meaningful.

## About Aimia

Aimia Inc. (TSX: AIM) 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 10.85% stake in Clear Media Limited, one of the largest outdoor advertising firms in China, a 48.8% equity stake in Kognitiv, a B2B company enabling global brands to redefine loyalty with solutions for multi-enterprise collaboration, a 10.8% 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.

For more information about Aimia, visit [www.aimia.com](http://www.aimia.com).

## Non-GAAP Financial Measures and Reconciliation to Comparable GAAP Measures

Aimia does not present Non-GAAP financial measures for its consolidated results. However, in order to complement the analysis of the financial performance of its investments, certain Non-GAAP measures are presented. A reconciliation to these investments' most comparable GAAP measure is provided in this earnings release in this section "Non-GAAP Financial Measures and Reconciliation to Comparable GAAP Measures".

## 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 measure 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. 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.

A reconciliation of Adjusted EBITDA to Loss before net financial income and income tax expense (GAAP) is presented below:

(in millions of Canadian dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Loss before net financial income and income tax expense <sup>(b)</sup></b>	<b>(9.8)</b>	<b>(9.4)</b>	<b>(34.1)</b>	<b>(35.2)</b>
Depreciation and amortization	0.1	0.2	0.3	0.8
Share-based compensation	1.3	0.5	3.3	2.0
Restructuring expenses	0.5	0.2	1.6	0.5
<b>Kognitiv's Adjusted EBITDA <sup>(a)/(b)</sup></b>	<b>(7.9)</b>	<b>(8.5)</b>	<b>(28.9)</b>	<b>(31.9)</b>

(a) A non-GAAP measure.

(b) Loss before net financial income and income tax expense as well as Kognitiv's Adjusted EBITDA for 2021 are presented on a continuing operations basis, excluding ISS discontinued operations.

## Key Performance Indicator

### **TRADE X Gross Vehicle Sales**

Gross Vehicle Sales represents sales income generated from wholesale transactions and transaction fees from the platform. TRADE X Gross Vehicle Sales is not a measure based on GAAP and does not have a standardized meaning and is not comparable to similar measures used by other issuers. TRADE X Gross Vehicle Sales is used by Aimia and TRADE X's management to evaluate performance. Aimia and TRADE X's management believe Gross Vehicle Sales assists investors in comparing TRADE X growth performance to other comparable businesses.

## Presentation of Financial Information

The financial information of Aimia and Kognitiv referred to in this press release is reported in Canadian dollars (unless otherwise indicated) and have been prepared in accordance with GAAP. The financial information of TRADE X referred to in this press release is unaudited and reported in Canadian dollars (unless otherwise indicated) and has been provided by TRADE X's management team. Certain of the financial information of TRADE X referred in this press release is preliminary and subject to TRADE X closing procedures and based on a number of assumptions and are not necessarily indicative of results to be expected for any future period as a result of various factors. During the course of the TRADE X's financial closing procedures, adjustments to the preliminary estimates may be identified, and such adjustments maybe material.

## Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements with respect to Aimia's current and future strategic initiatives and investment opportunities; Aimia's ability to source and execute on acquisitions on terms acceptable to it; the earn-out in connection with the PLM transaction; the use of proceeds from the PLM transaction and any returns to shareholders; the ability of Kognitiv to secure additional sources of financing; the expected gross vehicle sales of TRADE X; purchases under the current NCIB; payment of dividends; the use of Aimia's tax losses; and the impacts of COVID-19 on Clear Media and their mitigation by Clear Media.

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 press release 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 our Management Discussion and Analysis for the financial years ended December 31, 2021 and 2020, which can be found on SEDAR and accessed at [www.sedar.com](http://www.sedar.com). Aimia cautions that the list of risk factors included in such Management Discussion and Analysis 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 assume no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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