



## AIMIA TO ACQUIRE TUFROPES FOR \$249.6 MILLION

*(All figures in Canadian dollars unless otherwise noted and are subject to change due to currency fluctuations)*

**Toronto, January 31, 2023** – Aimia Inc. (TSX: AIM), a holding company focused on long-term global investments, has announced today that it has signed definitive agreements to acquire all of the issued and outstanding shares of Tufropes Pvt Ltd. as well as certain business undertakings of India Nets (together referred to as “Tufropes” or the “Company”). Aimia will pay a purchase price of \$249.6 million <sup>(1)</sup> on a cash-free and debt-free basis, subject to customary adjustments related to net debt and working capital at closing. Transaction closing, which is subject to regulatory approval and other customary closing conditions, is expected to occur before the end of the first quarter of 2023. Paladin Private Equity LLC (“Paladin”) will act as Aimia’s partner on the transaction.

Tufropes is a leading global manufacturer of high-performance synthetic fiber ropes and netting solutions for the aquaculture and maritime sectors, as well as diversified industrial end markets. Aquaculture is among the fastest growing sectors within the food industry, and now supplies more than half the world’s fish for human consumption. Through its global sales network and its cost-efficient manufacturing facilities across India, Tufropes is capable of producing ~70,000 metric tons of rope and netting solutions per year. It boasts a product portfolio of over 35,000 individual SKUs and is uniquely positioned to capture an increasing share of these attractive end markets. Its revenue is geographically diverse, with its products sold in over 70 countries, with 34% of revenues generated in Europe, 34% in Asia, 20% in the Americas and 12% in Australasia.

A family-owned business founded in 1992, Tufropes is expected to achieve annual revenue of approximately \$130 million <sup>(1)</sup> for the fiscal year ending March 31, 2023, and industry-leading EBITDA margins of 18%. Based on reasonable assumptions such as operational improvement initiatives, as well as the optimization of product mix, EBITDA margins are expected to grow above 20% within the next two years. Since 2001, the company has grown revenue at a compounded annual growth rate of approximately 20%, with limited capital investment requirements and high free cash flow conversion. Upon closing, Aimia intends to add key senior management and sales & marketing positions in Canada and Europe, strategically located near key customers and allowing Aimia to use its tax attributes.

Paladin will act as Aimia’s partner on the transaction. In connection thereto, upon closing of the transaction, Aimia and Paladin will enter into certain agreements on customary terms and conditions and providing for, among other things, governance rights, preferred return for Aimia, certain carry related rights to the benefit of Paladin, and an option for Paladin to acquire up to 19.9% minority equity position of Tufropes from Aimia within one year of closing. Tariq Osman and Eric Hauser of the Paladin team will join the Board of Directors of Tufropes and support its strategic growth initiatives.

It is anticipated that the acquisition will be initially financed with Aimia’s cash on hand. Aimia is currently evaluating financing options with an expectation to raise a modest level of debt at Tufropes within one year of closing.

Phil Mittleman, CEO of Aimia, said: “Tufropes represents an outstanding opportunity for Aimia and Paladin to invest in a global market leader, with a long track record of organic growth and strong free cash flow generation, while utilizing Aimia’s sizeable tax attributes to further enhance returns for its stakeholders. The new executive leadership and expanded global sales team will support and grow Tufropes’ long-standing relationships globally. We are excited to be partnering with Paladin Private Equity, whose experience and investment acumen will help Tufropes grow both organically and through potential acquisitions. We also wish to thank the Goel family for over 31 years of stewarding this company through an incredible period of growth and for their help in transitioning the ownership of this company to Aimia.”

<sup>(1)</sup> Based on CAD/INR of 60.96 as of January 30, 2023.

Arun Goel, Founder of Tufropes, said: “Over the past 31 years, Tufropes has grown to be a global leader in the manufacturing of synthetic fiber rope and netting solutions. Our dedicated team and valued business partners have built a robust global platform and the time is right for the business to scale to new heights. We believe that Aimia and Paladin are the right partners to captain the next phase of this journey. In changing hands, we have faith that the company will be able to deepen its relationships with all of our customers and develop new markets. We expect Tufropes’ strong work ethic and culture of teamwork to continue while our company is introduced to new opportunities and diverse experiences and that this new chapter will catalyse our employees’ individual and personal growth. We keenly anticipate the future of this growth story, as we pass the baton to our new partners.”

Paladin’s founder and Managing Partner, Tariq Osman, added: “Tufropes’ manufacturing excellence and its modern and cost-efficient operating capabilities have already made the business a top global producer in each of its ~US\$500 million end markets. Aimia and Paladin believe these to be a core tenant of future growth as customers continue to focus on mission-critical materials and ever-increasing safety and regulatory standards. We look forward to partnering with Aimia on this transaction to realize the full growth potential of the business.” Eric Hauser, a Principal at Paladin mentioned: “We’ve seen an underlying and secular industry shift away from legacy steel wire ropes to high-performance synthetic fibers, and from commoditized netting solutions to high modulus polyethylene (HMPE) netting solutions. Tufropes is well-positioned to take advantage of these trends, and new management will seek to commercially advance the company’s existing manufacturing and newly developed products on a global level.”

Mr. Mittleman further added: “We continue to actively pursue other investment opportunities with similar growth, EBITDA and free cash flow profiles, and look forward to sharing further information when appropriate.”

Kotak Investment Banking acted as sole Financial Advisor to Tufropes and India Nets, and Anagram Partners acted as Legal Advisor for Tufropes and India Nets. JSA Law acted as Legal Advisor to Aimia and Paladin.

### **Conference Call Information**

Aimia will host a conference call and live webcast to discuss the acquisition on January 31, 2023, at 8:30 a.m. Eastern Standard Time. The webcast will be accompanied by presentation slides which are now available at [www.aimia.com/investor-relations/events-presentations](http://www.aimia.com/investor-relations/events-presentations) and which will be filed on SEDAR and will be available at [www.sedar.com](http://www.sedar.com). All interested participants may access this call on a listen-only basis via our simultaneous audio webcast: <https://app.webinar.net/4ABW87XD97Y>. The webcast will be accessible on Aimia’s Investors page on [www.aimia.com/investor-relations/events-presentations](http://www.aimia.com/investor-relations/events-presentations).

### **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 technology company enabling collaborative commerce, 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).

### **About Paladin Private Equity LLC**

Paladin Private Equity LLC (“Paladin”) is a global private equity firm based in the US (Los Angeles & New York) and Germany (Hamburg) with a focus on investing in and building global market leaders within the industrial technology sector. Paladin’s investment strategy targets unique companies that dominate highly

attractive niche markets encompassing highly-engineered, manufactured products and technology-enabled, business services. These companies are distinguished by deep and sustainable competitive advantages and with as yet unfulfilled global growth, lean management and digital technology performance improvement potential. Paladin's investment team, board of directors and senior advisor network have extensive experience advising management teams on global sales & marketing growth strategies (including new product development and geographic expansion), executing and integrating global M&A, optimizing complex global manufacturing, procurement, and supply chains and pioneering the use of lean management and cutting-edge digital technology to automate and modernize operations for maximum efficiency, quality, innovation and safe operations.

### **About Tufropes**

Founded in 1992, Tufropes is a global leader in the manufacturing of high-performance synthetic fiber ropes and netting solutions for global aquaculture, maritime, and other various industrial customers. Tufropes' products are known for their unique combination of design and performance characteristics (including resistance to UV radiation and abrasion, high strength vs. weight). The Company is uniquely positioned to serve the global maritime sector across a huge range of SKUs (>35,000), a global network of sales distributors, 60+ sales employees, 70+ countries with distributors, and at unprecedented scale (manufacturing capacity of ~70,000 MT p.a.).

Find out more at [www.tufropes.com](http://www.tufropes.com).

### **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 such 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 the closing of the Tufropes acquisition; the growth of Tufropes' EBITDA margins; the transition of key senior management and sales & marketing positions to Canada and Europe; the use of Aimia's tax losses; the multiple financing options currently evaluated; the leverage of the Company; Paladin's option to acquire a minority stake in Tufropes; Aimia's current and futures 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 press release speak only as of the date hereof and reflect several material factors, expectations and assumptions. 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 current Management Discussion and Analysis and Annual Information Form, each of which have been or will be filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com). 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.

### **Non-IFRS Measures**

Reference to “EBITDA” are to the unaudited earnings of Tufropes before interest, taxes, depreciation and amortization and to “EBITDA margins” are to Tufropes’ EBITDA divided by its revenue. EBITDA and EBITDA margins are non-standardized financial measures that are not calculated or presented in accordance with International Financial Reporting Standards (“IFRS”). Accordingly, it may not be possible to compare Tufropes’ EBITDA or EBITDA margins with EBITDA, EBITDA margins or other financial measures of other companies having the same or similar businesses.

In addition, all financial information regarding Tufropes contained in this press release has been derived from Tufropes’ financial statements which are prepared in accordance with Indian Generally Accepted Accounting Principles (“Indian GAAP”). Aimia prepares its financial statements in accordance with IFRS. Indian GAAP differs in certain respects from IFRS.

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