

AIMIA

# Aimia

## Q4 Presentation

March 26, 2024



# Forward-looking and cautionary statements

This presentation contains statements that constitute “forward-looking information” within the meaning of Canadian securities laws (“forward-looking statements”), which are based upon Aimia’s 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 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 presentation include, but are not limited to, Aimia’s future growth and value creation, Bozzetto and Cortland growth opportunities, Aimia’s plan to improve Cortland’s performance, the monetization of Aimia’s non-core assets, Aimia’s plan to strengthen its balance sheet and potential share buybacks, Bozzetto’s annual production capacity, Bozzetto and Cortland revenues on a full-year proforma basis, costs reduction at the holding level, the value of PLM cash earnout, the cost containment at the holding level, the successful integration of StarChem into Bozzetto, Aimia finding a proven CEO, and future upside resulting from the Company executing on its strategy.

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 presentation 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 the Company can be found in Aimia’s current Management’s Discussion and Analysis and Annual Information Form, each of which have been or will be filed on SEDAR+ and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca). Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Aimia disclaims 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.

# GAAP and 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, gross profit (loss), operating income (loss), Earnings (loss) before income taxes, Net earnings (loss) and Earnings (Loss) by Common Share. Aimia's material accounting policy information is included in Note 2 of the audited consolidated financial statements for the year ended December 31, 2023 dated March 25, 2024.

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, 2023 and their impacts on the consolidated financial statements.

## NON- GAAP FINANCIAL MEASURES

Adjusted EBITDA is earnings (losses) before income taxes adjusted to exclude depreciation, amortization, impairment charges related to non-financial assets, cost of sales expense related to inventory fair value step up resulting from purchase price allocation, other investment income, financial expense, increase/decrease in limited partners' capital liability, income/expenses related to call option and carried interest, fair value gain/loss on contingent consideration and Aimia warrants, share-based compensation as well as transaction costs related to business acquisitions.

Adjusted EBITDA is used by management to evaluate the performance of its Bozzetto, Cortland International and Holdings segments. Management believes Adjusted EBITDA assists investors in comparing Aimia's performance on a consistent basis excluding depreciation and amortization, impairment charges related to non-financial assets and 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's management believe that the exclusion of business acquisition and/or disposal related expenses assists investors by excluding expenses that are not representative of the run-rate cost structure of its operations.

Adjusted EBITDA is earnings (losses) before income taxes adjusted to exclude depreciation, amortization, impairment charges related to non-financial assets, inventory step up expenses resulting from purchase price allocation, other investment income, financial expense, increase/decrease in limited partners' capital liability, income/expenses related to call option and carried interest, fair value gain/loss on contingent consideration and Aimia warrants, share-based compensation as well as transaction costs related to business acquisitions. For a reconciliation of Adjusted EBITDA to earnings (loss) before income taxes, please refer to the Bozzetto, Cortland International and Holdings Segmented Operating Results sections.

# Today's presenters



**Tom Finke**  
Executive Chairman



**Steve Leonard**  
Chief Financial Officer

# Key highlights and recent developments

- Financial results at Bozzetto in line with expectations
- Net loss impacted by non-cash write downs at non-core investment companies
- Ended 2023 with improved liquidity
- Leadership changes designed to strengthen governance and operational focus
- Outlook for value creation is encouraging

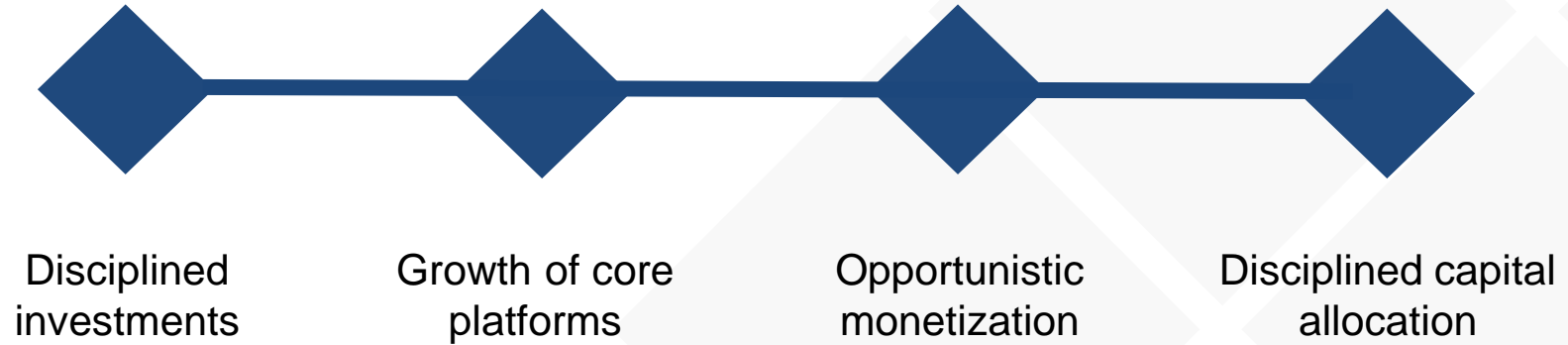
**FY2023 will serve as a baseline to measure future results**





# Path to value creation

# Path to value creation



**Aimia is executing on its strategy**

# Investments in 2023



- Acquired 94.1% for \$258M\*
- Sustainable specialty chemicals
- Diverse applications
- Consistent profitability and cash flow
- Strong growth and new market opportunities

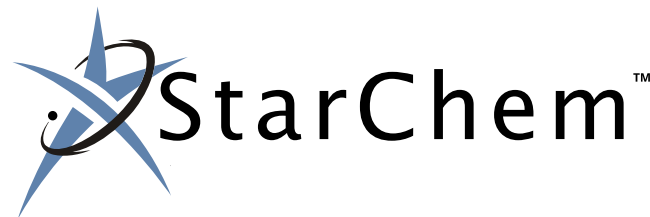


- Acquired for \$263.3M combined
- Synthetic rope and netting solutions
- Diverse product mix and customer base
- Steady historical results
- New growth opportunities in niche markets

**Core assets provide platform for growth**

# Investment in core platform companies

- StarChem S.A. acquisition closed in Q1 2024
- 65% of company acquired for \$24.1M
- Expands Bozzetto's presence in North America
- StarChem specializes in chemicals for textile industry
- Annual production capacity of 20,000 metric tonnes per year



**Acquisition supports Bozzetto's strategic expansion plans for North America**

# Opportunistic monetization of non-core assets



- \$22.5M worth of shares sold since Oct.1 2023
- Monetization consistent with Aimia's strategy
- 56.2M shares remaining as at March 22, 2024

**capital** 

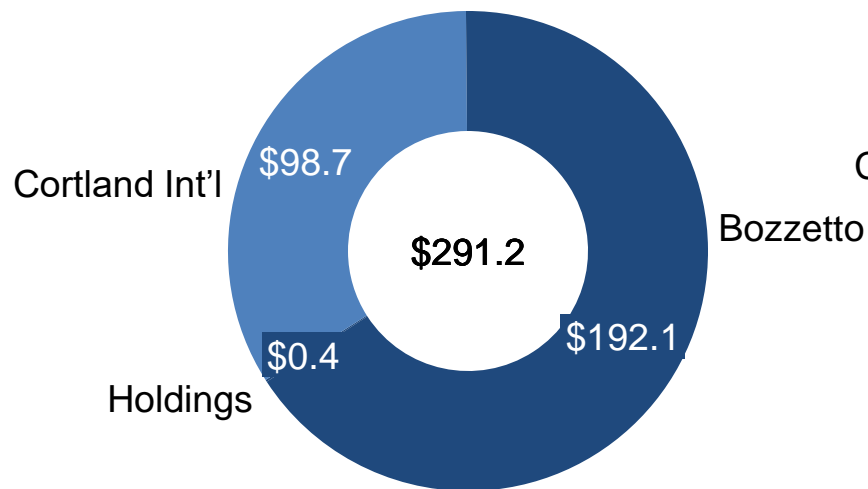
**Aimia is opportunistically monetizing its non-core assets**



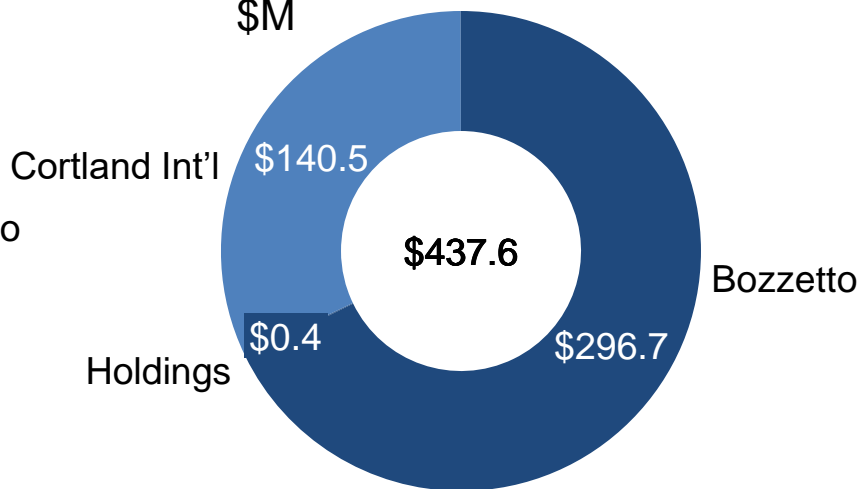
# Consolidated Results

# FY 2023 Consolidated Results

Consolidated Revenue \$M

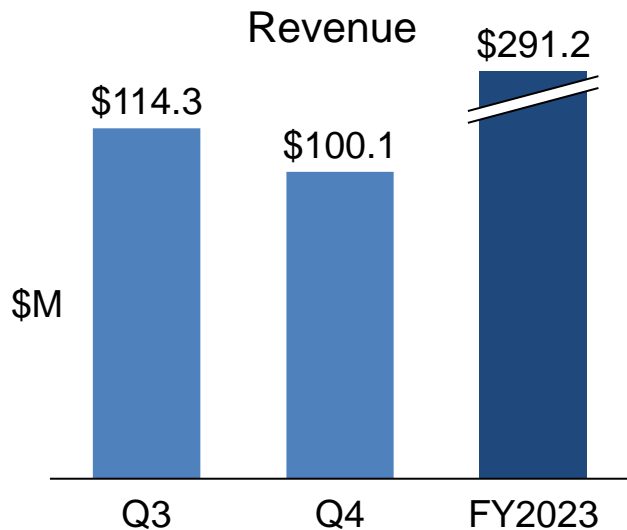


Pro Forma\* Results \$M

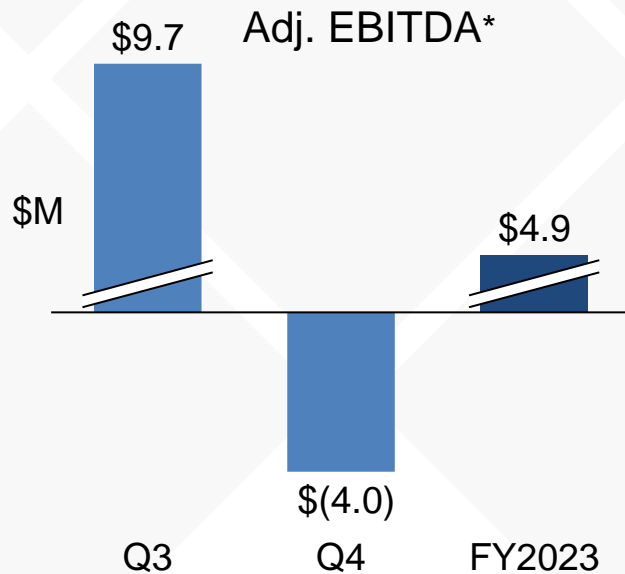


Actual results based on timing of Bozzetto and Tufropes acquisitions

# Consolidated financial highlights



- Q4 revenue impacted by macro-economic and geo-political issues



- Q4 impacted by \$9.4M of SG&A costs related to shareholder activism

# Factors impacting FY 2023 net loss

Net loss included \$130M of losses from investments

- \$82.3M of investments in TRADE X written down to nil
- Value of investment in Clear Media reduced by \$27M due to slow recovery of China's economy
- Share of loss from Kognitiv was \$20.7M

Offset by a non-cash gain of \$19.3M from PLM earn-out



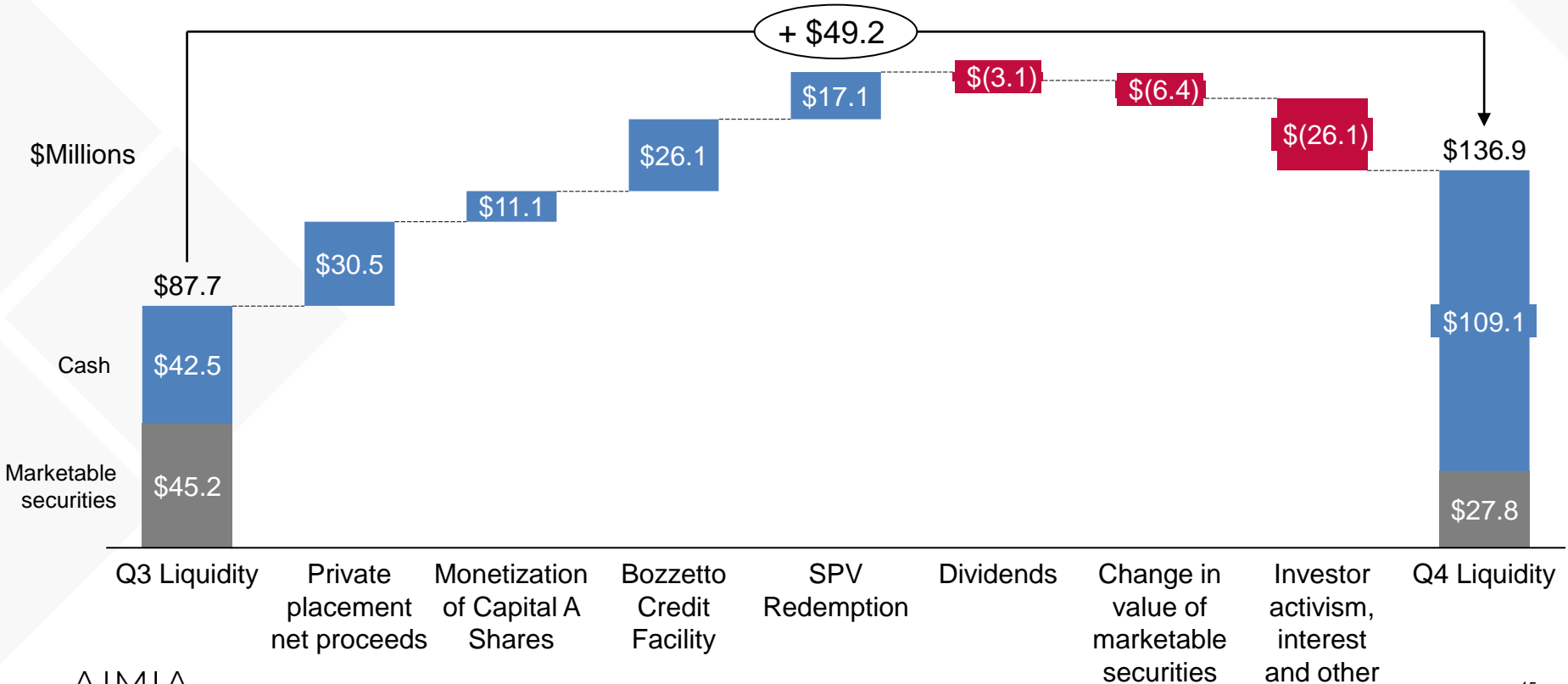
CLEAR MEDIA LIMITED

白馬戶外媒體有限公司



Losses from investments were non-cash

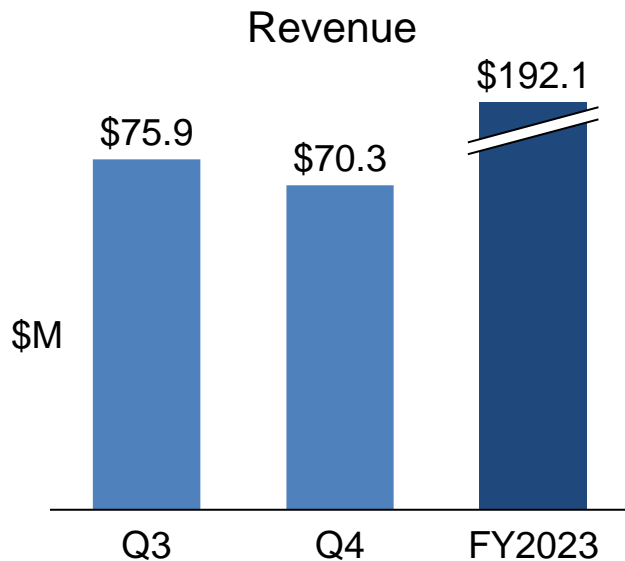
# Liquidity waterfall through Dec. 31



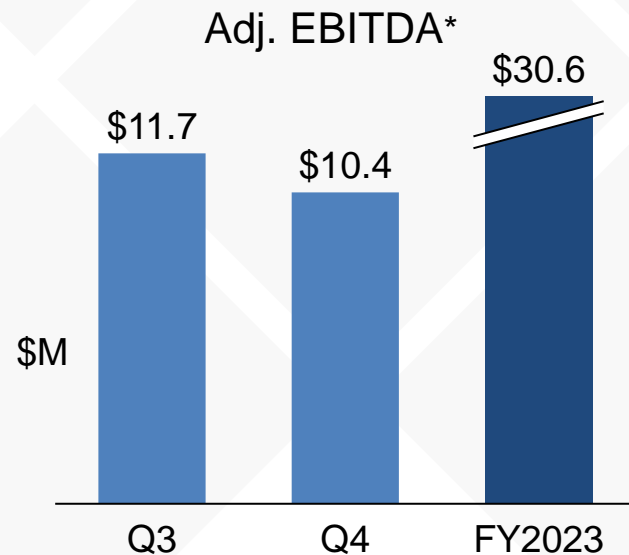


# Segmented Results

# Bozzetto financial highlights

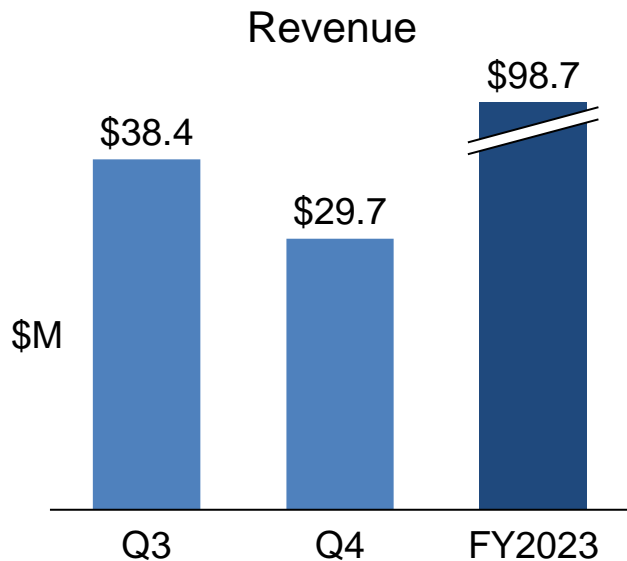


- Q4 results impacted by macro-economic and geo-political developments

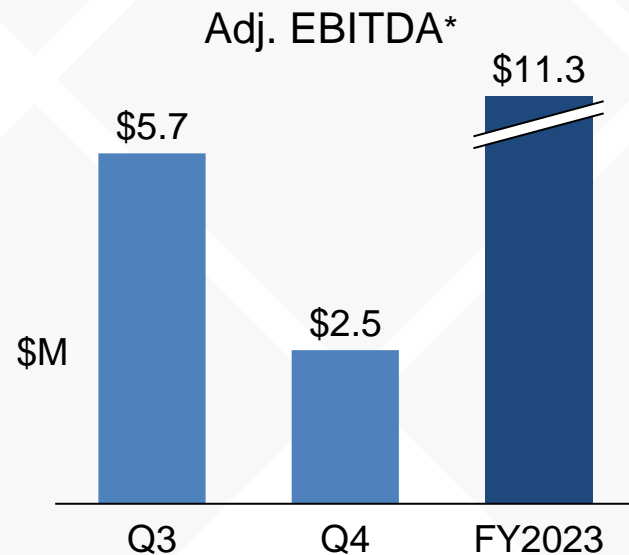


- Year-end results in line with expectations

# Cortland financial highlights



- Q4 results impacted by unfavorable market conditions



- Year-end results slightly below expectations



# Outlook

# Outlook and near-term focus

1. Earn-out potential from PLM transaction
2. StarChem integration into Bozzetto
3. Continued monetization of Capital A investments
4. Cost containment at Holdings segment
5. CEO search

**Aimia is executing on its strategy**





# Questions?

# AIMIA



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# Appendix Non-GAAP Financial Measures

# Reconciliation of Adjusted EBITDA

## Bozzetto Segment

	Three Months Ended December 31,		Years Ended December 31,	
<i>(in millions of Canadian dollars)</i>	2023	2022	2023 <sup>(a)</sup>	2022
<b>Reconciliation of Adjusted EBITDA <sup>(b)</sup></b>				
<b>Earnings (loss) before income taxes</b>	<b>0.5</b>	—	<b>(29.9)</b>	—
Depreciation and amortization	5.1	—	13.1	—
Cost of sales expense related to inventory fair value step up resulting from purchase price allocation	—	—	6.3	—
Financial expense, net	5.1	—	12.5	—
Transaction related costs	0.9	—	13.3	—
Paladin Option expense and Carried Interest expense	(0.3)	—	16.9	—
Other income from investments	(0.9)	—	(1.6)	—
<b>Adjusted EBITDA <sup>(b)</sup></b>	<b>10.4</b>	—	<b>30.6</b>	—
<b>Adjusted EBITDA margin</b>	<b>14.8 %</b>		<b>15.9 %</b>	

(a) Includes results of Bozzetto since its acquisition date on May 9, 2023.

(b) A Non-GAAP measure.

(c) Operating expenses include one-time transaction costs related to business acquisitions amounting to \$0.9 million and \$13.3 million in the three and twelve months ended December 31, 2023, respectively.

# Reconciliation of Adjusted EBITDA

## Cortland Segment

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2023	2022	2023 <sup>(a)</sup>	2022
<b>Reconciliation of Adjusted EBITDA <sup>(b)</sup></b>				
<b>Earnings (loss) before income taxes</b>	<b>(6.5)</b>	—	<b>(34.4)</b>	—
Depreciation and amortization	3.0	—	8.7	—
Inventory step up expenses resulting from purchase price allocation	0.3	—	1.3	—
Intercompany interest (income) expense	3.0	—	8.1	—
Transaction related costs	0.5	—	15.2	—
Paladin Option and Carried Interest (income) expense	(0.1)	—	10.2	—
Financial (income) expense, net	2.7	—	3.2	—
Other income from investments	(0.4)	—	(1.0)	—
<b>Adjusted EBITDA <sup>(b)</sup></b>	<b>2.5</b>	—	<b>11.3</b>	—
<b>Adjusted EBITDA margin</b>	<b>8.4 %</b>		<b>11.4 %</b>	

(a) Includes results of Tufropes and Cortland since their acquisition date on March 17, 2023 and July 11, 2023, respectively.

(b) A Non-GAAP measure.

(b) Operating expenses include one-time transaction and transition costs related to the acquisition of Tufropes and Cortland amounting to \$0.5 million and \$15.2 million in the three and twelve months ended December 31, 2023, respectively.

# Reconciliation of Adjusted EBITDA

## Holdings Segment

	Three Months Ended December 31,		Years Ended December 31,	
(in millions of Canadian dollars)	2023	2022	2023	2022
<b>Reconciliation of Adjusted EBITDA <sup>(c)</sup></b>				
<b>Earnings (loss) before income taxes</b>	<b>(54.0)</b>	(22.0)	<b>(116.3)</b>	445.3
Depreciation and amortization	—	—	1.1	0.1
Impairment charge	—	—	—	11.4
Share-based compensation expense (reversal)	0.2	1.3	(0.2)	(2.4)
Transaction related costs	—	2.1	—	2.1
Intercompany interest (income) expense	(3.0)	—	(8.1)	—
(Income) expenses related to carried interest, call option and fair value (gain) loss on contingent consideration and Aimia warrants	(0.3)	0.2	(1.9)	(1.0)
Financial (income) expense, net	1.9	3.0	1.8	3.0
(Decrease) increase in limited partners' capital liability	—	0.3	0.5	(2.9)
Other income from investments	38.3	11.4	86.1	(475.0)
<b>Adjusted EBITDA <sup>(c)</sup></b>	<b>(16.9)</b>	(3.7)	<b>(37.0)</b>	(19.4)

- (a) During the year ended December 31, 2022, Aimia received distributions from PLM of \$2.9 million (US\$2.3 million). The distributions received during the year ended December 31, 2022, were received when the investment was classified as an asset held for sale and, therefore, the distributions were recognized in "Interest, dividend and other investment income" in the consolidated statement of operations.
- (b) Selling, general and administrative expense for the three and twelve months ended December 31, 2023 include \$9.4 million and \$15.8 million, respectively, incurred in relation to shareholders activism and the termination of the employment of a former executive of one of the Corporation's subsidiary, \$0.7 million of Private Placement transaction costs attributable to the warrants as well an expected credit loss of \$2.9 million related to the Trade X bridge loan.
- (c) Selling, general and administrative expense for the year ended December 31, 2023 include a depreciation and amortization expense of \$1.1 million related to the accelerated depreciation of the MIM customer relationships intangible asset due to the decision to wind down the MIM operations.
- (d) A Non-GAAP measure.