



## **AIMIA REPORTS SOLID SECOND QUARTER 2024 RESULTS, REITERATES GUIDANCE, AND OUTLINES NEAR-TERM PRIORITIES FOR VALUE CREATION**

**Toronto, August 13, 2024** – Aimia Inc. (TSX: AIM) (“**Aimia**” or the “**Company**”), today reported its financial results for the three and six months ended June 30, 2024. All amounts are in Canadian currency unless otherwise noted.

### **EXECUTIVE CHAIRMAN COMMENTARY**

“Consistent with the commitments we made earlier in the year, we focused our efforts in the second quarter on a two-pronged strategy aimed at improving the operational performance of each of core holdings and unlocking shareholder value,” said Tom Finke, Aimia’s Executive Chairman. “Our results in Q2, as reflected by our improved adjusted EBITDA, receipt of the \$32.9 million PLM earn-out, and the successful launch of a normal course issuer bid, demonstrate our ability to execute against our plans.”

Mr. Finke added, “In the second half of the year, we anticipate accelerating the efforts of the recently formed Strategic Review Committee, chaired by Jamie Scarlett, to roll-out specific plans for returning capital to shareholders in a responsible and expeditious manner. Currently, our options include the potential sale of Aimia’s core holdings, the potential spinoff of core holdings, the potential recapitalization of the Holdco or core holdings or the potential merger of core holdings with other entities to utilize the Company’s cumulative tax losses. We look forward to providing updates on our progress.”

“Despite some macro-economic headwinds, we are re-iterating our guidance for 2024 given our performance year-to-date,” said Steven Leonard, Aimia’s President and CFO. “In particular, we anticipate generating adjusted EBITDA in 2024 for our core businesses in the range of \$80 to \$85 million on a combined basis, albeit at the lower end of the scale. We also anticipate corporate operating costs for the year to be approximately \$13 million, exclusive of one-time expenses.”

### **AIMIA’S Q2 2024 HIGHLIGHTS**

- Reported consolidated revenue of \$122.4 million, up from \$122.1 million generated in Q1 2024. Second quarter results sustained the momentum established at the Company’s core holdings since the start of 2024 but were impacted by several macro-economic factors, including global shipping disruptions and the effects of high inflation that softened customer demand.
- Reported consolidated Adjusted EBITDA of \$12.3 million, up 83.6% from \$6.7 million generated in Q1 2024. The improvement was driven by a number of developments, including the reduction in selling, general and administrative (SG&A) expenses (excluding share-based compensation and costs associated the termination of the Paladin agreements) at the Holdings segment by \$6.4 million.
- Reported a consolidated net loss of \$4.6 million or \$0.10 per common share.
- Ended Q2 with a total liquidity of \$114.6 million, comprised of \$112.8 million in cash and cash equivalents and \$1.8 million of marketable securities.
- Launched a normal course issuer bid to purchase for cancellation up to 7,009,622 common shares, or 10% of the Company’s public float as at May 28, 2024. As at August 12, 2024, Aimia had purchased for cancellation 1,778,800 common shares or 25.4% of allowable purchases.
- Received \$32.9 million in cash related to the earn-out associated with the Company’s divestiture of its 48.9 percent equity stake in PLM Loyalty to Aeromexico in 2022.
- Received overwhelming shareholder approval at its annual general meeting for its slate of directors and strategic plan to unlock value and return capital to investors.

## HIGHLIGHTS SUBSEQUENT TO QUARTER END

- Announced leadership appointments aimed at fast-tracking the rollout of the Company's strategy endorsed by shareholders at Aimia's annual general meeting, naming James Scarlett as Chair of the recently formed Strategic Review Committee and Steven Leonard as President and Chief Financial Officer. Aimia's strategy and near-term priorities are focused on unlocking value and returning capital to investors in a responsible and expeditious manner.
- Entered into an agreement with Milkwood Capital (UK) Ltd. ("Milkwood") to purchase for cancellation 1.3 million common shares owned by Milkwood. The common shares were purchased at price of \$2.53 per common share, representing an approximate aggregate price of \$3.3 million.

## CONSOLIDATED FINANCIAL HIGHLIGHTS

<b>Aimia</b>			
<b>(in millions of dollars except for margin and per share data)</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q2 2023</b>
<b>Revenue</b>	122.4	122.1	74.8
<b>Gross Profit</b>	32.5	34.6	19.1
<b>Gross Margin</b>	26.6%	28.3%	25.5%
<b>Operating Expenses</b>	(38.5)	(35.0)	(31.8)
<b>Operating Income (loss)</b>	(6.0)	(0.4)	(12.7)
<b>Adjusted EBITDA<sup>1</sup></b>	12.3	6.7	5.5
<b>Net earnings (loss)</b>	(4.6)	(4.2)	(74.5)
<b>Earnings (loss) per share diluted</b>	(0.10)	(0.09)	(0.93)

Aimia's financial results for the three months ended June 30, 2024, reflect the acquisitions of Bozzetto and Cortland completed in 2023, and the acquisition of StarChem completed on January 2, 2024. Comparisons to the Company's performance in the comparable period of 2023 may not be meaningful. This quarterly earnings release should be read in conjunction with Aimia's consolidated financial statements and management discussions and analysis (MD&A) for the three and six months ended June 30, 2024, which can be accessed from SEDAR+ and [www.aimia.com](http://www.aimia.com).

### Balance Sheet and Liquidity

As at June 30, 2024, Aimia had a total liquidity of \$114.6 million, which was comprised of \$112.8 million in cash and cash equivalents and \$1.8 million in marketable securities. As at March 31, 2024, Aimia had total liquidity of \$ 111.2 million, which was comprised of \$98.2 million in cash and cash equivalents and \$13 million in marketable securities.

The quarter over quarter increase in Aimia's liquidity was attributable to a number of developments in Q2, including receipt of a \$32.9 million earn-out relating to the Corporation's PLM divestiture. The increase in liquidity was partially offset by a \$10.9 million cash payment relating to the termination of carried interest and management service agreements with Paladin, \$3.8 million dividend payment for preferred shareholders, \$3.4 million of expenses relating to shareholder activism, and almost \$14 million of Bozzetto-related payments, including a \$7.2 million interest payment, a senior loan repayment of \$4.2 million, and a \$2.3 million payment related to the StarChem acquisition.

Of Aimia's cash and cash equivalents held at June 30, 2024, \$32.7 million was held in Bozzetto, \$11 million in Cortland International, and \$69.1 million in the Holdings segment.

<sup>1</sup> Adjusted EBITDA is a non-GAAP measure.

### **Cash Flow from Operations**

Aimia used \$13.2 million of cash in operating activities on a consolidated basis in the second quarter of 2024. The amount includes a cash payment \$10.9 million related to the termination of agreements with Paladin, \$3.4 million of expenses paid related to shareholder activism, including litigation settlement agreements, and \$1.5 million of expenses related to acquisition activities.

### **Available Tax Losses**

As at June 30, 2024, Aimia had \$766.1 million of tax losses available for carry forward that may be used to reduce taxable income in future years. The total available for carry forward is comprised of \$474 million of operating tax losses and \$292.1 million of capital tax losses.

### **Dividends**

Aimia paid \$3.8 million in dividends for the second quarter ended June 30, 2024, on its three series of outstanding preferred shares.

Aimia's Board of Directors declared quarterly dividends of \$0.300125 per Series 1 preferred share, \$0.485813 per Series 3 preferred share, and \$0.570098 per Series 4 preferred share, in each case payable on September 30, 2024, to shareholders of record on September 16, 2024.

With the reset of the annual dividend rate for Series 3 Preferred shares and the introduction of Cumulative Floating Rate Series 4 Preferred Shares, Aimia's quarterly dividend payments increased by approximately \$600,000 beginning in Q2 2024.

### **SEGMENT RESULTS**

Aimia is comprised of three segments: Bozzetto, Cortland International, and Holdings. Financial highlights for each segment for the three-month period ended June 30, 2024, follow.

#### **Bozzetto**

Aimia owns a 94.1% equity stake in Bozzetto, one of the world's leading providers of sustainable specialty chemicals with applications mainly in the textile, home and personal care, geothermal, construction, and agrochemical markets. Bozzetto's management team owns the remaining 5.9%. The Bozzetto segment includes results since Bozzetto's acquisition on May 9, 2023, and the results since the acquisition of 65% of StarChem on January 2, 2024. As a result, comparisons to the comparable period of 2023 may not be meaningful.

<b>Bozzetto<sup>2</sup></b>			
(in millions of dollars expect for margin data)	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q2 2023</b>
Revenue	<b>87.4</b>	88.1	45.9
Gross Profit	<b>25.6</b>	26.8	13.7
Gross Margin	<b>29.3%</b>	30.4%	29.8%
Operating Expenses <sup>3</sup>	<b>(20.9)</b>	(17.1)	(20.5)
Operating Income (loss)	<b>4.7</b>	9.7	(6.8)
Earnings (loss) before income taxes	<b>0.7</b>	5.9	(25.7)
Adjusted EBITDA <sup>4</sup>	<b>15.1</b>	15.5	8.5
Adjusted EBITDA margin	<b>17.3%</b>	17.6%	18.5%

- Bozzetto generated revenue of \$87.4 million in the second quarter of 2024, largely flat with the \$88.1 million generated in Q1 2024. The modest quarter-over-quarter decline was driven by a number of macro-economic factors, including disruptions to global shipping and the impact of high inflation that weakened customer demand across various segments. These developments were partially offset by stronger demand for Bozzetto's textile solutions in Asia.
- Adjusted EBITDA for Q2 2024 was \$15.1 million, which represents a margin of 17.3%. These compare to \$15.5 million and 17.6%, respectively, for Q1 2024. The variance was due to factors already cited.
- In anticipation of continued strong demand for its textile solutions in Asia, Bozzetto is increasing its use of local suppliers for raw materials while preserving margins.

### **Cortland International**

Aimia owns a 100% equity stake in Cortland International, the rebranded combination of Tufropes and Cortland Industrial, a global leader in the manufacturing of high-performance synthetic fiber ropes and netting solutions for maritime and other industrial customers.

The Cortland International segment includes the results of Tufropes and Cortland Industrial since their acquisition on March 17, 2023, and July 11, 2023, respectively. As a result, comparisons to the comparable period of 2023 may not be meaningful.

<sup>2</sup> Bozzetto's results for Q2 2024 and Q1 2024 include contributions from its acquisition of StarChem, closed on January 2, 2024. Prior periods exclude any StarChem contributions.

<sup>3</sup> Operating expenses for the three months ended June 30, 2024, include \$4.9 million of costs relating to the termination of the Paladin agreements and \$0.2 million of costs related to business acquisitions. Operating expenses for the three months ended March 31, 2024, include transaction costs of \$0.7 million, of which \$0.4 million were related to the StarChem acquisition. Operating expenses for the three months ended June 30, 2023, include transaction costs of \$12.4 related to the Bozzetto acquisition.

<sup>4</sup> Adjusted EBITDA is a non-GAAP measure.

<b>Cortland International</b>			
<b>(in millions of dollars except for margin data)</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q2 2023</b>
<b>Revenue</b>	<b>35.0</b>	<b>34.0</b>	<b>28.9</b>
<b>Gross Profit</b>	<b>6.9</b>	<b>7.8</b>	<b>5.4</b>
<b>Gross Margin</b>	<b>19.7%</b>	<b>22.9%</b>	<b>18.7%</b>
<b>Operating Expenses<sup>5</sup></b>	<b>(9.6)</b>	<b>(7.0)</b>	<b>(4.1)</b>
<b>Operating Income (loss)</b>	<b>(2.7)</b>	<b>0.8</b>	<b>1.3</b>
<b>Earnings (loss) before taxes</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(2.3)</b>
<b>Adjusted EBITDA<sup>6</sup></b>	<b>3.6</b>	<b>4.0</b>	<b>4.6</b>
<b>Adjusted EBITDA Margin</b>	<b>10.3%</b>	<b>11.8%</b>	<b>15.9%</b>

- Cortland generated revenue of \$35 million for Q2 2024, up 2.9% from \$34 million generated in Q1 2024. While revenue grew, sales in the second quarter were lumpy and impacted by global shipping disruptions and delayed customer deliveries due to limited availability of shipping containers.
- Adjusted EBITDA for Q2 2024 was \$3.6 million, representing a margin of 10.3%. This included \$1.2 million of advisory fees in the quarter relating to business transformation and operational improvement initiatives aimed at enhancing Cortland's performance.
- Excluding these advisory fees, Adjusted EBITDA for Q2 2024 totaled \$4.8 million, representing a margin of 13.7% and an increase of \$0.8 million over Q1 2024. The increase was largely driven by lower selling, general and administrative expenses and higher revenue, partially offset by higher cost of sales.
- As result of a business transformation initiative, Cortland developed a strategic roadmap to build market share, strengthen its salesforce and launch the new products. The benefits of the strategic roadmap are expected over the coming quarters.

### Holdings Segment

The Holdings segment includes Aimia's investments in Clear Media Limited, Kognitiv, Capital A, as well as minority investments in public company securities and limited partnerships. Holdings also includes corporate operating costs, including costs related to public company disclosure and Board costs, executive leadership, legal, finance and administration.

<b>Holdings Segment</b>			
<b>(in millions of Canadian dollars)</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q2 2023</b>
<b>Operating Expenses</b>	<b>(8.0)</b>	<b>(10.9)</b>	<b>(7.2)</b>
<b>Earnings (loss) before taxes</b>	<b>(1.0)</b>	<b>(5.8)</b>	<b>(39.4)</b>
<b>Adjusted EBITDA<sup>7</sup></b>	<b>(6.4)</b>	<b>(12.8)</b>	<b>(7.6)</b>

- Operating expenses for the Holdings segment in Q2 2024 included \$2.9 million of expenses related to shareholder activism, \$0.8 million of share-based compensation expenses driven by new grants and an increased share price in the quarter, and \$0.8 million of legal and advisory fees related to the termination of the Paladin agreements.
- Adjusted EBITDA in Q2 improved by \$6.4 million largely due to a decline in shareholder activism expenses and employee separation payments.

<sup>5</sup> Operating expenses for the three months ended June 30, 2024, include \$1.5 million of costs relating to the termination of the Paladin agreements. Operating expenses also include transaction and transition costs related to business acquisitions of amounting to \$1.9 million, \$0.2 million, and 0.3 million in the three months ended June 30, 2024, March 31, 2024, and June 30, 2023, respectively.

<sup>6</sup> Adjusted EBITDA is a non-GAAP measure.

<sup>7</sup> Adjusted EBITDA is a non-GAAP measure.

## Outlook and Guidance

Given performance on a year-to-date basis and the impact of one-time expenses relating to the termination of the Paladin agreements, Aimia expects to achieve its guidance disclosed earlier this year. Guidance for adjusted EBITDA is expected at the lower end of the range provided as a result of the negative impact of persistent inflation on customer demand and raw material prices.

(in millions of Canadian dollars)	Guidance for 2024	Year-to-date Actuals
Adjusted EBITDA at Bozzetto and Cortland on a Combined Basis	\$80 - \$85	\$39.4 <sup>8</sup>
Holding Company Costs	\$13	\$6.8

## Quarterly Conference Call and Audio Webcast Information

Aimia will host a conference call to discuss its second quarter 2024 financial results at 8:30 am ET on August 13. The call will be webcast at the following URL link: <https://app.webinar.net/ABxjPJ12YWL>. 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/>

## About Aimia

Aimia Inc. (TSX: AIM) is a diversified company focused on unlocking the growth potential of its two global businesses, Bozzetto, a sustainable specialty chemicals company, and Cortland International, a rope and netting solutions company. Headquartered in Toronto, Aimia's priorities include monetizing its non-core investments, returning capital to its shareholders, and efficiently utilizing its loss carry-forwards to create shareholder value. For more information about Aimia, visit [www.aimia.com](http://www.aimia.com).

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

"GAAP" means Canadian Generally Accepted Accounting Principles (which are in accordance with the International Financial Reporting Standards).

## Adjusted EBITDA

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 directly comparable to similar measures used by other issuers. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows. A reconciliation to operating income (loss) is provided.

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 believes that the exclusion of business acquisition and/or disposal related

<sup>8</sup> Excludes \$1.2 million of advisory fees incurred by Cortland International of all costs related to business transformation initiatives.

expenses assists investors by excluding expenses that are not representative of the run-rate cost structure of its operations.

Adjusted EBITDA is operating income (loss) 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, share-based compensation, costs related to the termination of the Paladin agreements, as well as transaction costs related to business acquisitions.

For a reconciliation of Adjusted EBITDA to operating income (loss), please refer to the tables below.

## BOZZETTO

<i>(in millions of Canadian dollars)</i>	Q2 2024	Q1 2024	Q2 2023
<b>Reconciliation of Adjusted EBITDA</b>			
<b>Operating income (loss)</b>	4.7	9.7	(6.8)
Depreciation and amortization	5.3	5.1	2.9
Cost related to the termination of Paladin agreements	4.9	—	—
Transaction related costs	0.2	0.7	12.4
<b>Adjusted EBITDA</b>	<b>15.1</b>	<b>15.5</b>	8.5
<b>Adjusted EBITDA margin</b>	<b>17.3%</b>	<b>17.6%</b>	18.5%

## CORTLAND INTERNATIONAL

<i>(in millions of Canadian dollars)</i>	Q2 2024	Q1 2024	Q2 2023
<b>Reconciliation of Adjusted EBITDA</b>			
<b>Operating income (loss)</b>	(2.7)	0.8	1.3
Depreciation and amortization	2.9	3.0	2.3
Cost of sales expense related to inventory fair value step up resulting from purchase price allocation	—	—	0.7
Costs related to the termination of Paladin agreements	1.5	—	—
Transaction and transition related costs	1.9	0.2	0.3
<b>Adjusted EBITDA</b>	<b>3.6</b>	<b>4.0</b>	<b>4.6</b>
<b>Adjusted EBITDA margin</b>	<b>10.3%</b>	<b>11.8%</b>	<b>15.9%</b>

## HOLDINGS

<i>(in millions of Canadian dollars)</i>	Q2 2024	Q1 2024	Q2 2023
<b>Reconciliation of Adjusted EBITDA</b>			
<b>Operating income (loss)</b>	(8.0)	(10.9)	(7.2)
Share-based compensation	0.8	(1.9)	(0.4)
Cost related to the termination of Paladin agreements	0.8	—	—
<b>Adjusted EBITDA</b>	<b>(6.4)</b>	<b>(12.8)</b>	(7.6)

HOLDINGS	Six Months Ended June 30
	2024
Holdings segment Selling, general and administrative expenses	18.9
Shareholders activism related expenses	(9.8)
Share-based compensation (expense) reversal	1.1
Separation payments related management changes	(1.6)
Costs related to the termination of Paladin agreements	(0.8)
MIM wind-down expenses	(0.4)
Other one-time professional fees	(0.6)
<b>Holdco Costs</b>	<b>6.8</b>

## 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 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 press release include, but are not limited to, Aimia’s future growth and value creation; Bozzetto’s momentum in 2024; and Cortland growth opportunities; the monetization of Aimia’s other investments; Aimia’s accelerating efforts to return capital to shareholders in the 2<sup>nd</sup> half of 2024; Aimia’s options for value creations; Aimia’s corporate operating costs for 2024; Bozzetto and Cortland significant organic and accretive growth potential; monetize our non-core assets in an expedited manner; Aimia’s potential change in the capital structure in order to support the return capital to shareholders; The adjusted EBITDA in 2024 for Aimia’s core businesses in the range of \$80 to \$85 million; Aimia’s corporate operating costs of approximately \$13 million in 2024; Aimia’s, Bozzetto and Cortland Adjusted EBITDA as well as the guidance for 2024; StarChem potential earnout; Bozzetto’s customer and cost synergies with StarChem. Continued strong demand for Bozzetto’s textile in 2024.

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 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.