AIMIA

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

MANAGEMENT'S REPORT

The accompanying consolidated financial statements of Aimia Inc. are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, which are International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The consolidated financial statements include some amounts and assumptions based on management's best estimates which have been derived with careful judgment.

In fulfilling its responsibilities, management of the corporation has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the financial statements. The Board of Directors reviews and approves the corporation's consolidated financial statements.

March 27, 2025

(signed) "Steven Leonard"

STEVEN LEONARD
President & Chief Financial Officer

(signed) "Philippe W. Naud"

PHILIPPE W. NAUD
Vice President, Finance & Corporate Controller

Independent auditor's report

To the Shareholders of Aimia Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Aimia Inc. and its subsidiaries (together, the Corporation) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Corporation's consolidated financial statements comprise:

- the consolidated statements of operations for the years ended December 31, 2024 and 2023;
- the consolidated statements of comprehensive income (loss) for the years ended December 31, 2024 and 2023;
- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of changes in equity for the years ended December 31, 2024 and 2023;
- the consolidated statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment tests *Refer to note 2 – Material accounting policy information and note 11 – Goodwill and intangible assets to the consolidated financial statements.* The Corporation had goodwill of $141.4 million as at December 31, 2024. For the purposes of impairment testing, goodwill is allocated to the Corporation's operating businesses, which represents the lowest level within the Corporation at which goodwill is monitored for internal management purposes (group of cash-generating units (group of CGUs)) and is aligned with the Corporation's operating segments. As at December 31, 2024, the total carrying amount of goodwill was allocated to the Bozzetto and Cortland International groups of CGUs. Management assesses goodwill for impairment annually at the same time or more frequently if events or changes in circumstances indicate that the carrying amounts may be impaired. An impairment loss is recognized if the carrying amount of a group of CGUs exceeds its estimated recoverable amount. A recoverable amount of a group of CGUs is the greater of its value in use and its fair value less costs of disposal. The recoverable amounts of the Corporation's group of CGUs for the year ended December 31, 2024 were based on a fair value less costs of disposal calculation.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amounts of the Bozzetto and Cortland International groups of CGUs, which included the following: – Tested the mathematical accuracy of the discounted future cash flow and market approach models. – Tested the underlying data used in the discounted future cash flow and market approach models. – Tested the reasonableness of the terminal growth rates and cash flow forecasts in the discounted future cash flow models and the adjusted EBITDA in the market approach models by considering the past and current performance of the group of CGUs. – Professionals with specialized skill and knowledge in the field of valuation assisted in testing the appropriateness of the models used and the reasonableness of the discount rates and multipliers applied by management based on available data of comparable companies. • Evaluated the disclosures made in the financial statements related to the goodwill impairment tests.

Key audit matter	How our audit addressed the key audit matter
Management determined the recoverable amounts by using an average of the discounted future cash flows generated from the group of CGUs and a market approach derived using a multiplication of earnings (the models). Management used key assumptions in the calculation of the discounted future cash flows including the cash flow forecasts, terminal growth rates and discount rates. The key assumptions used by management in the market approach included adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) and the multipliers. As a result of management's impairment tests, no goodwill impairment was recognized for the Bozzetto group of CGUs and an impairment of \$28.7 million was recognized for the Cortland International group of CGUs. We considered this a key audit matter due to the significant judgment applied by management in determining the recoverable amounts, which led to a high degree of audit effort and subjectivity in performing procedures to test the key assumptions used by management. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	
Valuation of investment in Clear Media Limited *Refer to note 2 – Material accounting policy information and note 6 – Fair value of financial instruments to the consolidated financial statements.* The Corporation's investment in Clear Media Limited was \$11.9 million as at December 31, 2024. The investment is measured at fair value through profit or loss and is classified as a Level 3 financial instrument.	Our approach to addressing the matter included the following procedures, among others: • With the assistance of professionals with specialized skill and knowledge in the field of valuation, developed an independent range of fair values for the investment in Clear Media Limited, by considering the values of comparable companies and testing the underlying data.

Key audit matter	How our audit addressed the key audit matter
The fair value of the Level 3 investment in Clear Media Limited was determined by management using a market approach valuation technique, based on an EBITDA multiple. Management used key assumptions including the investment exit year, the EBITDA multiple and the discount rate. We considered this a key audit matter due to the significant judgment required by management when determining the fair value of the investment in Clear Media Limited. This in turn led to a high degree of auditor subjectivity, judgment and effort in performing procedures relating to the valuation of the investment. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	• Compared management's estimate to the independent range of fair values to evaluate the reasonableness of management's estimate.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Andrew Popliger.

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
March 27, 2025

[1] CPA auditor, public accountancy permit No. A125677

AIMIA

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of Canadian dollars, except share and per share amounts)		Years Ended December 31, 2024	2023 Restated - Note 2
Revenue from contracts with customers	Notes 3 & 26A	**$ 500.8**	$ 291.2
Cost of sales	Note 26A	**(368.8)**	(225.3)
Gross Profit		**132.0**	65.9
Operating expenses			
Selling, general and administrative expenses	Notes 4, 5, 17A & 26A	**(126.3)**	(116.9)
Impairment charge	Note 11	**(28.7)**	—
Operating income (loss)		**(23.0)**	(51.0)
Share of net earnings (loss) from equity-accounted investments	Note 9	**(6.9)**	(19.9)
Gain on disposal of equity-accounted investments	Note 9	**—**	19.3
Net change in fair value of investments	Note 6	**(16.5)**	(98.6)
Interest, dividend and other investment income	Note 26A	**9.7**	15.7
Financial expenses, net	Note 26A	**(17.3)**	(20.4)
Income (expenses) related to carried interest, call option, fair value gain (loss) on contingent consideration and Aimia warrants	Notes 4, 5 & 17A	**10.1**	(25.2)
Increase in limited partners' capital liability		**—**	(0.5)
Earnings (loss) before income taxes		**(43.9)**	(180.6)
Income tax recovery (expense)			
Current	Note 16	**(16.7)**	(11.6)
Deferred	Note 16	**7.1**	3.6
		(9.6)	(8.0)
Net earnings (loss)		**$ (53.5)**	$ (188.6)
Net earnings (loss) attributable to:			
Equity holders of the Corporation		**(56.4)**	(188.0)
Non-controlling interests		**2.9**	(0.6)
Net earnings (loss)		**(53.5)**	(188.6)
Weighted average number of shares - Basic and diluted	Note 22	**95,355,111**	84,693,929
Loss per common share			
Basic	Note 22	**$ (0.75)**	$ (2.37)
Diluted	Note 22	**$ (0.75)**	$ (2.37)

The accompanying notes are an integral part of these consolidated financial statements.

AIMIA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of Canadian dollars)		Years Ended December 31, 2024	2023
Net earnings (loss)		**$ (53.5)**	$ (188.6)
Other comprehensive income (loss):			
Items that may be reclassified subsequently to net earnings (loss)			
Foreign currency translation adjustments		**20.3**	(20.8)
Reclassification to net earnings of cumulative translation adjustments		**(4.1)**	—
Cash flow hedge gains (losses), net of reclassification adjustments and taxes		**0.7**	(1.1)
Share of other comprehensive income (loss) of equity-accounted investments		**(0.3)**	—
Items that will not be reclassified subsequently to net earnings (loss)			
Defined benefit plans actuarial gains (losses), net of tax	Note 17B	**0.4**	(0.5)
Other comprehensive income (loss)		**17.0**	(22.4)
Comprehensive income (loss)		**$ (36.5)**	$ (211.0)
Comprehensive income (loss) attributable to:			
Equity holders of the Corporation		**(41.5)**	(210.0)
Non-controlling interests		**5.0**	(1.0)
Comprehensive income (loss)		**$ (36.5)**	$ (211.0)

AIMIA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at *(in millions of Canadian dollars)*		December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	Note 26B	**$ 95.4**	$ 109.1
Restricted cash		**—**	0.4
Investments in marketable securities	Note 6	**0.1**	27.8
Income taxes receivable		**3.4**	4.1
Accounts receivable	Note 7	**109.8**	91.1
Inventories	Note 8	**81.8**	61.2
Prepaid expenses		**6.6**	4.0
Other current assets	Note 9	**1.3**	33.2
Receivable from related party	Note 23	**5.9**	7.1
		304.3	338.0
Non-Current assets			
Deferred income taxes	Note 16	**6.7**	8.8
Investments in private companies and other financial instruments	Note 6	**15.0**	33.8
Equity-accounted investments	Note 9	**4.9**	12.2
Property, Plant and equipment	Note 10	**153.3**	149.5
Intangible assets	Note 11	**241.0**	218.7
Goodwill	Note 11	**141.4**	164.0
Other non-current assets	Note 12	**33.8**	38.6
		$ 900.4	$ 963.6
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	Note 13	**76.5**	75.7
Income taxes payable		**9.6**	4.1
Current portion of long-term debt	Note 14	**8.1**	8.3
Other current borrowings		**5.2**	6.0
Lease Liabilities	Note 15	**4.2**	2.9
		103.6	97.0
Non-Current liabilities			
Lease liabilities	Note 15	**8.1**	8.5
Long-term debt	Note 14	**143.2**	149.7
Other non-current liabilities	Note 17	**64.6**	65.0
Deferred income taxes	Note 16	**52.3**	60.3
		371.8	380.5
Total equity attributable to equity holders of the Corporation	Note 18	**499.7**	568.6
Non-controlling interests	Note 4	**28.9**	14.5
Total equity		**528.6**	583.1
		$ 900.4	$ 963.6
Contingencies and commitments	Notes 19 & 20		

Approved by the Board of Directors

(signed) Thomas Little
Thomas Little
Director

(signed) Jordan G. Teramo
Jordan G. Teramo
Director

The accompanying notes are an integral part of these consolidated financial statements.

AIMIA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2024		Common shares outstanding	Share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Contributed surplus	Total attributable to the equity holders of the Corporation	Non-controlling interests	Total equity
(In millions of Canadian dollars, except share amounts)									
Balance, December 31, 2022		84,164,614	$ 235.5	$ (1,702.3)	$ 14.4	$ 2,229.3	776.9	$ —	$ 776.9
Comprehensive income (loss)									
Net loss				(188.0)			(188.0)	(0.6)	(188.6)
Other comprehensive income (loss):									
Foreign currency translation adjustments					(20.4)		(20.4)	(0.4)	(20.8)
Cash flow hedge losses, net of reclassification adjustments and taxes					(1.1)		(1.1)		(1.1)
Defined benefit plans actuarial losses, net of tax	Note 17B			(0.5)			(0.5)		(0.5)
Share of other comprehensive income of equity-accounted investments					—		—		—
Total comprehensive loss		—	—	(188.5)	(21.5)	—	(210.0)	(1.0)	(211.0)
Transactions with owners, recorded directly in equity									
Common shares issued	Note 18	10,475,000	21.4				21.4		21.4
Preferred dividends	Note 21			(12.6)			(12.6)		(12.6)
Contingent common shares cancellation	Note 23			0.6		(0.6)	—		—
Business acquisition, net of acquisition financing impact to NCI	Note 4						—	8.6	8.6
Issuance of call options over subsidiaries' shares	Notes 4 & 5						—	7.1	7.1
Repurchase of non-controlling interest	Note 4						—	(0.2)	(0.2)
Counterpart entry to liability related to put options granted to non-controlling interests	Notes 4 & 17			(7.2)			(7.2)		(7.2)
Accretion related to stock-based compensation plans	Note 18					0.1	0.1		0.1
Total transactions with owners		10,475,000	21.4	(19.2)	—	(0.5)	1.7	15.5	17.2
Balance, December 31, 2023		**94,639,614**	**$ 256.9**	**$ (1,910.0)**	**$ (7.1)**	**$ 2,228.8**	**$ 568.6**	**$ 14.5**	**$ 583.1**
Comprehensive income (loss)									
Net earnings (loss)				**(56.4)**			**(56.4)**	**2.9**	**(53.5)**
Other comprehensive income (loss):									
Foreign currency translation adjustments					**18.2**		**18.2**	**2.1**	**20.3**
Cash flow hedge gains, net of reclassification adjustments and taxes					**0.7**		**0.7**		**0.7**
Reclassification to net earnings of cumulative translation adjustments					**(4.1)**		**(4.1)**		**(4.1)**
Share of other comprehensive loss of equity-accounted investments					**(0.3)**		**(0.3)**		**(0.3)**
Defined benefit plans actuarial gains, net of tax	Note 17B			**0.4**			**0.4**		**0.4**
Total comprehensive income (loss)		**—**	**—**	**(56.0)**	**14.5**	**—**	**(41.5)**	**5.0**	**(36.5)**
Transactions with owners, recorded directly in equity									
Common shares issued	Note 18	**5,064,560**	**12.6**				**12.6**		**12.6**
Common shares repurchased	Note 18	**(2,988,000)**	**(1.2)**			**(6.6)**	**(7.8)**		**(7.8)**
Preferred dividends	Note 21			**(14.7)**			**(14.7)**		**(14.7)**
Dividends to non-controlling interests								**(1.1)**	**(1.1)**
Cancellation of forfeited escrow shares and contingent common shares	Notes 18 & 23	**(1,302,857)**	**0.8**	**1.3**		**(1.3)**	**0.8**		**0.8**
Business acquisition	Note 4						**—**	**17.6**	**17.6**
Expiry of call options over subsidiaries' shares	Notes 4 & 5			**7.1**			**7.1**	**(7.1)**	**—**
Counterpart entry to liability related to put options granted to non-controlling interests	Notes 4 & 17			**(25.7)**			**(25.7)**		**(25.7)**
Accretion related to stock-based compensation plans	Note 18					**0.3**	**0.3**		**0.3**
Total transactions with owners		**773,703**	**12.2**	**(32.0)**	**—**	**(7.6)**	**(27.4)**	**9.4**	**(18.0)**
Balance, December 31, 2024		**95,413,317**	**$ 269.1**	**$ (1,998.0)**	**$ 7.4**	**$ 2,221.2**	**$ 499.7**	**$ 28.9**	**$ 528.6**

The accompanying notes are an integral part of these consolidated financial statements.

AIMIA

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31,	
(in millions of Canadian dollars)		**2024**	**2023**
			Restated - Note 2
CASH FLOWS FROM (USED IN)			
Operating activities			
Net earnings (loss)		**$ (53.5)**	$ (188.6)
Adjustments for:			
Depreciation and amortization		**35.4**	22.9
Share-based compensation		**(0.3)**	(0.2)
(Income) Expense related to carried interest, call option and fair value (gain) loss on contingent consideration and Aimia warrants		**(10.1)**	25.2
Share of net (earnings) loss of equity-accounted investments		**6.9**	19.9
Net financial expense (income)		**7.6**	4.7
Income tax expense		**9.6**	8.0
Impairment charge		**28.7**	—
Net change in fair value of investments in equity instruments		**16.5**	98.6
Gain on disposal of equity-accounted investments		**—**	(19.3)
Changes in Limited Partners' Capital Liability		**—**	0.5
Changes in operating assets and liabilities	Note 26C	**(28.9)**	16.2
Other		**0.8**	(1.0)
		66.2	175.5
Cash from (used in) operating activities before the following items:		**12.7**	(13.1)
Proceeds from disposal of marketable securities held for trading	Note 6	**—**	13.8
Purchases of marketable securities held for trading	Note 6	**—**	(0.9)
Income taxes paid		**(10.6)**	(12.1)
Net cash from (used in) operating activities		**2.1**	(12.3)
Investing activities			
Business acquisitions, net of cash acquired	Notes 4 & 5	**(17.8)**	(499.7)
Proceeds from the disposal of equity-accounted investment	Note 9	**32.9**	—
Proceeds from the disposal of investments in marketable securities, private companies and other financial instruments	Note 6	**26.5**	33.4
Proceeds from the redemption of special purposes vehicles	Note 6	**0.9**	23.6
Proceeds from the redemption of an investment fund	Note 6	**3.5**	—
Interest and dividend received		**3.3**	8.1
Additions to property, plant & equipment and intangibles assets		**(13.3)**	(11.2)
Proceeds from the sale of property, plant & equipment and intangibles assets		**2.2**	—
Bridge loan granted to investee	Note 6	**—**	(2.7)
Loan repayment from related parties	Note 23	**1.3**	5.0
Loan granted to related parties	Note 23	**(1.4)**	(8.5)
Net cash from (used in) investing activities		**38.1**	(452.0)
Financing activities			
Preferred dividends	Note 21	**(14.7)**	(12.6)
Issuance of common shares & warrants	Note 18	**—**	30.5
Return of capital and dividends paid to non-controlling interest	Note 4	**(1.1)**	(3.3)
Repurchase of minority interest	Note 4	**—**	(0.2)
Repurchase of common shares	Note 18	**(7.8)**	—
Principal elements of lease payments		**(4.1)**	(1.7)
Proceeds from other borrowings		**2.9**	—
Repayment of other borrowings		**(6.1)**	(1.2)
Interest paid		**(15.3)**	(7.8)
Proceeds from long-term debt, net of financing costs	Notes 4 & 14	**22.6**	157.5
Repayment of long-term debt	Note 14	**(34.2)**	—
Repayment of assumed debt related to business acquisition	Notes 4 & 14	**—**	(83.9)
Net cash from (used in) financing activities		**(57.8)**	77.3
Net change in cash and cash equivalents		**(17.6)**	(387.0)
Translation adjustment related to cash		**3.9**	(9.2)
Cash and cash equivalents, beginning of year		**109.1**	505.3
Cash and cash equivalents, end of year		**95.4**	109.1

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

THESE FINANCIAL STATEMENTS CONTAIN THE FOLLOWING NOTES:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

1. STRUCTURE OF THE CORPORATION

Aimia Inc. (“Aimia” or the “Corporation”) was incorporated on May 5, 2008 under the *Canada Business Corporations Act*. The registered and head office of Aimia is located at 1 University Avenue, 3rd Floor, Toronto, Ontario, M5J 2P1.

The Corporation is a diversified company which owns: a 94.1% interest in Giovanni Bozzetto S.p.A. (“Bozzetto”) which was acquired on May 9, 2023 (*Note 4*), a provider of specialty sustainable chemicals, offering sustainable textile, water and dispersion chemical solutions with applications in several end-markets including the textile, home and personal care, plasterboard and agrochemical markets, a 100% ownership of Cortland International, which is comprised of: (1) Tufropes, which was acquired on March 17, 2023 (*Note 5*), a manufacturer of synthetic fiber ropes and netting solutions for maritime and other various industrial customers, and (2) Cortland Industrial LLC ("Cortland"), which was acquired on July 11, 2023 (*Note 5*), a designer, manufacturer, and supplier of ropes, slings and tethers to the aerospace & defense, marine, renewables, and other diversified industrial end markets.

On January 2, 2024, Aimia, through Bozzetto, completed the acquisition of 65% of StarChem S.A. ("StarChem"), a manufacturer of auxiliary chemical solutions primarily involved in the preparation, dyeing, and finishing processes for customers within the textile industry (*Note 4*).

In addition, the Corporation owns a 10.85% stake in Clear Media Limited, an outdoor advertising firm in China and a 48.6% equity stake in Kognitiv Corporation ("Kognitiv"), a B2B SaaS company inspiring customer loyalty through data-driven personalization. On December 12, 2024, Kognitiv Corporation filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to Section 50.4 of the Bankruptcy and Insolvency Act (*Note 23*).

The Corporation also held investments in Mittleman Investment Management, LLC ("MIM"), as well as a minority equity stake in TRADE X, both of which were no longer in operations as of December 31, 2023. Starting December 22, 2023, TRADE X has been placed under receivership pursuant to an order granted by the Ontario Superior Court of Justice (*Note 6*).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and by all Aimia entities, except for adoption of revised accounting standards as described below in changes in accounting policies section.

These consolidated financial statements were authorized for issue by the Corporation's Board of Directors on March 27, 2025.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following balance sheet items:

- The StarChem opening balances and the contingent consideration (earn-out) payable are measured at fair value (*Note 4*);
- The Paladin carried interests in Bozzetto and Cortland International were measured at fair value. The Paladin carried interests were settled during the three months ended June 30, 2024 (*Notes 4, 5 & 17A*);
- Investment in marketable securities, private companies and other financial instruments are measured at fair value (*Note 6*);
- Liabilities for cash-settled share-based payment arrangements are measured at fair value (*Notes 13 & 17*);
- Liabilities related to put options granted to StarChem and Bozzetto's non-controlling interests are measured at the present value of the redemption amounts (*Notes 4 & 17*);
- Bozzetto's unfunded post-employment benefits obligations are measured at their present value (*Note 17B*);
- Contingent considerations related to business acquisition or disposal are measured at fair value (*Notes 4, 9 & 17*);
- Aimia warrants issued in connection with a private placement are measured at fair value (*Notes 17 & 18*).

(c) Presentation Currency

These consolidated financial statements are expressed in Canadian Dollars.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Use of Judgments and Estimates

The preparation of these consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported as assets, liabilities, income and expenses in the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are accounted for prospectively.

Judgments

Judgments made in applying accounting policies that have the most significant effects on the amounts reflected in these consolidated financial statements are as follows:

- Consolidation: whether the Corporation has control or significant influence over an investee.
- The determination of the functional currencies of the Corporation's subsidiaries when the primary indicators are mixed.
- Whether or not the Corporation is reasonably certain to exercise extension options over certain leases.
- Whether the Corporation acts as a principal or an agent when performing certain toll manufacturing activities.

Estimates

Information about assumptions and estimation with a significant risk of resulting in material adjustments within the next year are included within the following notes:

- Measurement of the fair value of the assets acquired and liabilities assumed for the StarChem business acquisition that occurred during the year. The valuation techniques used by third-party valuators for measuring the fair value of material assets acquired were as follows:
    - **Customer relationships**: The valuation model considered the multi-period excess earnings method, using a discounted cash flow, for the valuation of customer relationships. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets. Key assumptions include discretionary cash flows forecasts and discount rate.
- Measurement of the fair value of the StarChem contingent consideration payable, which include significant unobservable inputs. These inputs are described in *Note 4*;
- Measurement of the liabilities related to the put options granted to StarChem and Bozzetto's non-controlling interests, which include significant unobservable inputs. These inputs are described in *Note 4*;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- Measurement of the fair value of the investment in Clear Media and the expected credit loss on the other investment income receivable from Forward Elite, which include significant unobservable inputs. These inputs are detailed in *Note 6*;
- Goodwill impairment test, including key assumptions underlying recoverable amounts, particularly future cash flows, multiples of operating income (loss) adjusted to exclude depreciation, amortization and impairment charges related to non-financial assets and share-based compensation ("Adjusted EBITDA multiples") and discount rates. These inputs are detailed in *Note 11;*
- Recognition of deferred tax assets, availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized *(Note 16)*;
- Measurement of post-employment benefits obligations, including key actuarial assumptions. These assumptions are detailed in *Note 17B;*
- Measurement of expected credit loss on secured promissory notes of Kognitiv (*Note 23*);
- Recognition and/or measurement of contingent liabilities, including assumptions about the likelihood and magnitude of potential outflows of resources *(Note 20).*

PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are entities over which the Corporation has control. The Corporation controls an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries' financial statements are included in the consolidated financial statements from the date of commencement of control until the date that control ceases. Subsidiaries' accounting policies have been changed, when necessary, to align with the policies adopted by Aimia.

These consolidated financial statements include the accounts of the Corporation and the accounts of its subsidiaries. All intercompany balances and transactions have been eliminated.

(Tables in millions of Canadian dollars, except share and per share amounts)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The Corporation had the following significant subsidiaries at December 31, 2024:

Name	Nature of business	Country of incorporation and place of business	Proportion of ownership held directly by Aimia Inc. (%)	Proportion of ownership held by the group (%)	Proportion of ownership held by NCI (%)
Bozzetto segment					
Chem Italia Srl [(a)]	Holding company	Italia	94.1		5.9
Giovanni Bozzetto S.p.A.	Specialty sustainable chemicals	Italia		94.1	5.9
BGB Giovanni Bozzetto S.A.U.	Specialty sustainable chemicals	Spain		94.1	5.9
Asutex S.A.U.	Specialty sustainable chemicals	Spain		94.1	5.9
Bozzetto Kymia San. ve TIC. A.S. ("Bozzetto Kymia")	Specialty sustainable chemicals	Turkey		94.1	5.9
PT Bozzetto Indonesia	Specialty sustainable chemicals	Indonesia		94.1	5.9
Bozzetto Polska Spolka z.o.o.	Specialty sustainable chemicals	Poland		94.1	5.9
Bozzetto GmbH	Specialty sustainable chemicals	Germany		94.1	5.9
Bozzetto S.A.[(a)] (formerly StarChem S.A.)	Specialty sustainable chemicals	Honduras		61.2	38.8
Cortland International segment					
1001069786 Ontario Inc. (formerly 1392479 B.C. UNLIMITED LIABILITY COMPANY)	Holding company	Canada	100		
Cortland International Inc. (formerly 1000372721 Ontario Inc.)	Synthetic fiber ropes and netting solutions	Canada		100	
Tufropes Private Limited	Synthetic fiber ropes and netting solutions	India		100	
TufNets Private Limited	Synthetic fiber ropes and netting solutions	India		100	
Cortland Industrial LLC	Synthetic ropes, slings and tethers	United States		100	
Holdings segment					
Aimia Holdings UK Limited	Holding company	United Kingdom	100		
Aimia Holdings US Inc.	Holding company	United States		100	
City Lead II Developments Limited [(b)]	Holding company	Cayman Islands	100		

(a) Aimia Inc owns 94.1% of Chem Italia Srl (the remaining 5.9% being owned by Bozzetto.'s executive management team), which owns 100% of Giovanni Bozzetto S.p.A. Giovanni Bozzetto S.p.A. owns 65% of Bozzetto S.A. (the remaining 35% being owned by Bozzetto S.A.'s executive management team).

(b) City Lead II Developments Limited is the holding company that was created as part of the Clear Media privatization (*Note 6*).

Non-controlling interests - Redeemable equity

A put option has been granted to Bozzetto and StarChem's management teams in order to enable them to sell a portion of their ownership to Aimia at certain anniversary dates of the transaction if no exit scenario has occurred by those dates. The Corporation used the principles of IFRS 10 to analyze put option contracts given to non-controlling

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

interests and whether or not these contracts provide the parent or the non-controlling interest with access to the risks and rewards associated with the actual ownership of the equity. When the risks and rewards associated with the ownership have been retained by the non-controlling interest, a non-controlling interest is recognized upon the initial accounting of a business combination. The Corporation has determined that the risks and rewards associated with Bozzetto and StarChem's management ownership in these businesses have been retained by them.

A financial liability (recognized at the present value of the redemption amount) is recorded to reflect the put option, with a corresponding reduction of the Corporation's Retained Earnings (Deficit). The redemption liability is presented in Other non-current liabilities on the consolidated statement of financial position. Subsequent changes to the redemption liability are also recorded directly in the Corporation's Retained Earnings (Deficit).

Investments in Associates and Joint Arrangements (Note 9)

Associates are entities over which the Corporation has significant influence. Joint arrangements are entities over which the Corporation has joint control and are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The Corporation's investment includes goodwill identified on acquisition. The consolidated financial statements include the Corporation's share of the income and expenses, other comprehensive income and certain equity movements of equity-accounted investees, after aligning with the accounting policies of the Corporation, from the date that joint control or significant influence commences until the date that joint control or significant influence ceases. For equity-settled share-based compensation issued by equity-accounted investees to its own employees, Aimia records its share of the investee's share-based compensation expense as part of its share of the investee's profit or loss but does not account for a share in the credit to shareholders' equity recognized by the investee.

When the Corporation's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the investee.

When the Corporation contributes a controlled business to a joint venture or associate or, when it loses control over a business but retains a significant influence in the investment either as a joint venture or associate, the Corporation recognizes a full gain under the IFRS 10 - *Consolidated Financial Statements* approach. IFRS 10 requires the retained interest in an associate or joint venture to be measured at fair value, with the full disposal gain recognized in the consolidated statement of operations.

The Corporation no longer had any material investment in associates and joint arrangements as at December 31, 2024. Kognitiv was considered a material associate in 2023.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FOREIGN CURRENCY CONVERSIONS

Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currencies are translated into each of Aimia's entities' functional currency at rates of exchange in effect at the date of the consolidated statement of financial position. Gains and losses are included in other financial expense on the consolidated statements of operations. Non-monetary assets, non-monetary liabilities, revenues and expenses arising from transactions denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction.

Foreign Operations

While the Holdings segment's functional currency is the Canadian dollar, most of Aimia's foreign operations have a functional currency different from the presentation currency. The main functional currencies of Bozzetto are the euro, US dollar and Turkish lira, while the main functional currencies of Cortland International are the US dollar and the Indian rupee.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the rates of exchange prevailing at the consolidated statement of financial position date. Revenues and expenses are translated at the average rates for the year. Translation gains or losses are recognized in other comprehensive income and included in accumulated other comprehensive income.

When a foreign operation is disposed of, the relevant amount in the cumulative amount of foreign currency translation adjustments is transferred to earnings as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the cumulative amount of foreign currency translation adjustments.

Hyperinflationary Economy

The Turkish economy is considered to be hyperinflationary according to the criteria set out in "*IAS 29 – Accounting in hyperinflationary economies*". In accordance with IAS 29, non-monetary items included in the statement of financial position of Bozzetto Kymia as well as all items in the statement of comprehensive income were remeasured by applying the general index of consumer prices to historical data based on the Turkey consumer price index, in order to reflect the changes in the purchasing power of the Turkish lira at the date of the financial statements.

In order to take account of the impact of hyperinflation also on the local currency rate, the amounts of the consolidated statement of comprehensive income items expressed in hyperinflationary currencies were converted into the presentation currency by applying the December 31, 2024, exchange rate instead of the average exchange rate for the period, in line with the requirements of "*IAS 21 – The Effects of Changes in Foreign Exchange Rates*".

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The loss on net monetary position for the year ended December 31, 2024 amounted to $3.5 million (May 9, 2023 to December 31, 2023: loss of $1.5 million) and is presented in net financial expenses in the consolidated statement of operations.

FINANCIAL INSTRUMENTS

Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognized when they are originated. Regular way purchases of equity instruments are recognized using the settlement date, which is the date that the equity instruments are delivered to the Corporation. All other financial assets and financial liabilities are initially recognized when the Corporation becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value thought profit and loss ("FVPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

For financial liabilities measured at amortized cost, transaction costs or fees, premiums or discounts earned or incurred are recorded, at inception, net against the fair value of the financial instrument and amortized in financial expenses in the consolidated statement of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Classification

Aimia has classified its significant classes of financial instruments as follows:

	Classification	
Financial instruments	Amortized cost	Fair value through profit and loss ("FVPL")
Measured at amortized cost		
Cash and cash equivalents and restricted cash	X	
Accounts receivable and receivable from related party	X	
Accounts payable and accrued liabilities	X	
Other borrowings	X	
Long-term debt (including current portion)	X	
Measured at fair value		
Investments in marketable securities [(a)]		X
Investments in private companies and other financial instruments [(a)]		X
Contingent consideration receivable		X
Contingent consideration payable		X
Aimia warrants		X
Carried interest liabilities		X

(a) These investments are not subject to significant influence.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVPL. The classification of financial assets is based on an entity's business models and the financial asset's contractual cash flow characteristics. Business models are reassessed periodically and contractual cash flows characteristics are assessed to determine whether they are solely payments of principal and interest. Financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Corporation may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVPL. This includes all derivative financial assets. On initial recognition, the Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are classified as measured at amortized cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Presentation of investment in marketable securities

The Corporation classifies its investments between current and non-current assets based on liquidity of the financial instruments. Therefore, the investments in public companies equity instruments not subject to significant influence are presented as investments in marketable securities on the consolidated statement of financial position and the associated cash flows are presented as investing activities, unless those investments are considered held for trading.

Investments in marketable securities are considered held for trading when:

- they are acquired or incurred principally for the purpose of selling them in the near term; or
- on initial recognition, they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

The associated cash flows of investments in marketable securities that are held for trading are presented as operating activities in the statement of cash flows. Management designate investments in marketable securities as held for trading at initial recognition. All of the equity instruments that were held through Precog Capital Partners were considered held for trading.

(Tables in millions of Canadian dollars, except share and per share amounts)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Subsequent Measurement and Gains and Losses

Financial assets	
Amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
FVPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial liabilities	
Amortized cost	These liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
FVPL	These liabilities are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Derecognition

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Corporation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Corporation also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Impairment of Financial Assets (Including Receivables)

The Corporation recognizes an allowance for expected credit losses (“ECL”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a “12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a “lifetime ECL”).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. Therefore, the Corporation does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Corporation consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

VALUATION OF INVENTORIES

Inventories, which include raw and other packing materials, finished goods as well as work-in-progress, are measured at the lower of acquisition or production cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make a sale.

Given the different characteristics of inventories and production methods in place in its Bozzetto and Cortland International businesses, different valuation methods are used in each segment. Inventories cost for Bozzetto is determined on the basis of the average cost method. Inventories cost for Cortland International is determined on First in First out (FIFO) basis.

PROPERTY, PLANT AND EQUIPMENT (EXCEPT RIGHT-OF-USE ASSETS)

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. Acquisition cost includes direct costs of acquisition, including any directly attributable cost for bringing the asset to its working condition for its intended use, as well as estimated costs of dismantlement, land removal and/or restoration to be incurred as a result of contractual obligations requiring the asset to be returned to its original condition.

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of operations when the asset is derecognized.

The Corporation has adopted the cost model for the measurement of assets and subsequent recognition and assets are valued at their cost less accumulated depreciation and impairment losses, if any.

Depreciation on Property, Plant and Equipment

The Corporation recognizes depreciation on straight line basis for all property, plant and equipment, except land and construction in progress, on the basis of their estimated useful life.

The estimated useful lives of major assets classes are as follows:

(Tables in millions of Canadian dollars, except share and per share amounts)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Plant and Machinery	12 to 20 years
Buildings	25 to 40 years
Factory and office equipment	5 to 12 years

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Aimia's share of the net identifiable assets of the acquired subsidiary at the date of acquisition and it is measured net of accumulated impairment losses. Goodwill is not amortized, but instead tested for impairment annually, or more frequently, should events or changes in circumstances indicate that the goodwill may be impaired.

Acquisitions

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value as are the identifiable net assets acquired, except for deferred tax assets or liabilities, which are recognized and measured in accordance with *IAS 12 - Income Taxes*. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognized in profit and loss immediately. Transaction costs, other than those associated with the issue of debt or equity securities incurred by Aimia in connection with a business combination are expensed as incurred.

Aimia elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

INTANGIBLE ASSETS

Trade Names

Trade names are considered long-lived assets with finite lives.

Trade names are recorded at cost less accumulated impairment losses and are amortized using the straight-line method over their estimated lives, typically 10 to 20 years.

The weighted-average remaining amortization period of trade names is 10.1 years as at December 31, 2024.

Customer Relationships

Customer relationships are considered long-lived assets with finite lives.

Customer relationships are recorded at cost less accumulated impairment losses and are amortized using the straight-line method over their estimated lives, typically 15 to 25 years.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The weighted-average remaining amortization period of customer relationships is 17.5 years as at December 31, 2024. The amortization period reflects estimates based on historical attrition for similar customer relationships.

LEASES

For any new contracts entered into, the Corporation considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Corporation assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation;
- the Corporation has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Corporation has the right to direct the use of the identified asset throughout the period of use.

Right-of-use assets

At lease commencement date, the Corporation recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Corporation, an estimate of any costs to dismantle or restore the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentive received.

The Corporation depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the end of the lease term. The Corporation also assess the right-of-use asset for impairment when such indicators exist. Right-of-use assets are included in “Property, plant and equipment” in the consolidated statement of financial position.

Lease liabilities

At the commencement date, the Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Corporation's incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that Aimia's subsidiary would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including payments that are, in substance, fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Corporation has elected to account for short-term leases and leases of low-value assets using the practical expedients. As a result, instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of Aimia's non-financial assets, which includes Aimia's equity-accounted investments, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset, a cash-generating unit or a group of cash-generating units is the greater of its value in use and its fair value less costs of disposal. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

Goodwill that forms part of the carrying amount of the investment in the jointly controlled entity accounted for using the equity method is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in the jointly controlled entity is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

An impairment loss is recognized if the carrying amount of an asset or its CGU or its group of CGUs exceeds its estimated recoverable amount. Impairment losses are recognized in earnings. Impairment losses recognized in respect of CGUs or group of CGUs that include goodwill are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units, and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis not beyond the highest of:

- the fair value less costs of disposal; and
- value in use of the individual asset, if determinable.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

EMPLOYEE FUTURE BENEFITS

Defined Contribution

Aimia, Bozzetto and Cortland International employees may participate in defined contribution pension plans, which provide pension benefits based on the accumulated contributions and fund earnings. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in earnings in the periods during which services are rendered by employees.

Defined benefit plan

For defined benefit plans, the amount of benefit to be paid to the employee is quantifiable only after the termination of the employment relationship, and is linked to one or more factors such as age, years of service and compensation.

The Corporation uses independent actuarial services and the projected unit credit method to determine the present value of its defined benefit obligation and the related current and past service costs. The discount rates are determined by referring to the market yield at the fiscal year-end on high-quality corporate bonds issued in the currency in which the liability is expected to be paid and that have maturity dates approximating the terms of the plans. Remeasurements of defined benefit plans are recognized in other comprehensive income and reported in retained earnings in the periods in which they occur.

Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Corporation has a present legal or constructive obligation to pay such an amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Termination Benefits

Termination benefits are generally payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary separation in exchange for these benefits.

The Corporation recognizes termination benefits at the earlier of the following dates: (a) when the Corporation can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 - *Provisions, contingent liabilities and contingent assets,* and involves the payment of termination benefits.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Other Long-Term Employee Benefits

Cortland International management incentive plan

During the year ended December 31, 2024, a management incentive plan for designated employees was established at Cortland International ("Cortland's MIP") in order to promote a significant alignment between the achievement of targeted financial performance metrics and the company's interest to generate value in its business. Participants in Cortland's MIP are granted a certain amount of units. Each vested unit entitles the participant to receive payment in cash of an amount equal to 0.01% of the award pool available to all participants.

Each unit shall vest on the earlier of (a) the occurrence of a change in control of Cortland International or (b) November 30, 2027 (the "Vesting Date"), subject to certain terms and conditions and the continued employment of a participant up to the Vesting Date. The size of the award pool is determined based on the Adjusted EBITDA of Cortland International for the last twelve months as at the Vesting Date and can range from nil to US$11.2 million, depending on the actual results relative to prescribed financial performance targets. The plan is unfunded.

Cortland International uses the projected unit credit method to determine the present value of its MIP obligation and the related service costs, which are attributed on a straight-line basis. The assumptions related to the forecasted Adjusted EBITDA up to the Vesting Date and the discount rate are aligned with those of the annual goodwill impairment test of the Cortland International CGU (*Note 11*). Based on the timing of the establishment of Cortland's MIP, no significant benefits expense has been recorded during the year ended December 31, 2024.

Bozzetto management incentive plan

Bozzetto's executive management investment in the company represents a minority equity position of 5.9%. Included in the Bozzetto executive management share structure, is a class of shares, which will provide enhanced returns of up to 3.1x their equity position of their holders should the value of the business achieve specified valuation thresholds in an exit scenario (*Note 4)*. The minimum threshold for Bozzetto's management to earn enhanced returns in such exit scenario represents a multiple of invested capital of 1.8x. No benefits expense has been recorded during the year ended December 31, 2024.

SHARE CAPITAL

Common shares and preferred shares that are not redeemable or are redeemable only at the Corporation's option are classified as equity. Incremental costs directly attributable to the issuance of common and preferred shares and share options are recognized as a deduction from equity, net of any tax effects.

Dividends payable by Aimia to its common and preferred shareholders, which are determined at the discretion of the Board of Directors and in accordance with the terms of each series of preferred shares (*Notes 18 & 21*), are recorded when declared. Dividends on common and preferred shares are recognized as distributions within consolidated statement of changes in equity.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from share capital for the shares'

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

assigned value, any excess being allocated to contributed surplus to the extent that contributed surplus was created by a net excess of proceeds over cost on cancellation or resale of shares of the same class, and any discount being assigned to contributed surplus. Repurchased shares are cancelled.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Corporation recognizes revenue when it transfers promised goods or services to a customer and the customer obtains control of those goods or services based on the following five-step model.

- Step 1 - Identify the contract with a customer
- Step 2 - Identify the performance obligations in the contract
- Step 3 - Determine the transaction price
- Step 4 - Allocate the transaction price to the performance obligations in the contract
- Step 5 - Recognize revenue when the entity satisfies a performance obligation

Through its Bozzetto business, Aimia generates revenue from the sale of specialty chemicals products to its customers. Through its Cortland International business, Aimia generates revenue from the sale of ropes, netting and other products to its customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and claims, if any, as specified in the contract with the customer. Revenue excludes taxes and duties collected from customers on behalf of the government.

Customer contracts typically include a single performance obligation. Revenue is recognized at a point in time upon the satisfaction of the performance obligation to the customer, which is when the control of the goods are transferred to the customer. For Bozzetto, the performance obligation is determined to have been satisfied and revenue is recognized upon delivery of the products, because the customer typically obtains control over the products upon delivery. For Cortland International, control is transferred either upon shipment of goods to the customer or when the goods are made available to the customer, provided that the transfer of title to the customer occurs and Cortland International has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

The consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when a customer's payment obligation becomes unconditional. The Corporation is not party to any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Corporation does not adjust any of the transaction prices for the time value of money.

The Corporation determines that it acts as an agent when performing certain toll manufacturing activities. Therefore, the direct costs associated to these activities, which are paid to external suppliers and recharged to customers, are recorded as a reduction to revenue, with only the margin being recognized as revenue.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

COST OF SALES

Presented in costs of sales include expenses related to cost of materials consumed, change in inventory of finished goods and work-in-progress, direct labor compensation and benefits, property, plant and equipment depreciation and amortization as well as other direct production costs. The amortization of the customer relationships and trade names intangible assets of Bozzetto and Cortland International is also included in costs of sales.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Presented in selling, general and administrative include compensation and benefits expenses, freight costs, fees paid to distributors, professional, advisory and services fees as well as insurance, technology and other office expenses, including costs related to public company disclosure and Board of directors costs, executive leadership, legal, finance and administration. The amortization of the customer relationships of MIM was also included in selling, general and administrative expenses in the year ended December 31, 2023.

INCOME TAXES

Income tax expense includes current and deferred tax and is recognized in earnings except to the extent that it relates to a business combination, or to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Aimia provides for deferred income taxes using the liability method of tax allocation. Under this method, deferred income tax assets and liabilities are determined based on deductible or taxable temporary differences between the financial statement carrying values and the tax base of assets and liabilities, using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

STOCK-BASED COMPENSATION PLANS

Deferred Share Unit Plan

The Deferred Share Unit Plan (the "DSU Plan") was established as a means of compensating directors and designated employees of Aimia and of promoting share ownership and alignment with the shareholders' interests. Directors of Aimia are automatically eligible to participate in the DSU Plan while employees may be designated from time to time, at the sole discretion of the Board of Directors.

Vesting conditions may be attached to DSUs at the Board of Directors' discretion. DSUs granted to directors usually vest immediately. DSUs granted to designated employees have various vesting periods and may include certain performance indicators.

Upon termination of service, the DSU Plan participants are entitled to receive for each DSU credited to their account, a payment in cash equivalent to the value on the date of termination of service of an Aimia common share and accrued dividends from the time of grant.

DSUs are considered cash-settled awards. The fair value of DSUs, at the date of grant to DSU Plan participants, is recognized as compensation expense over the vesting period, with a credit to other non-current liabilities. In addition, the DSUs are fair valued at the end of every reporting period and at the settlement date. Any changes in the fair value of the liability are recognized as compensation expense in earnings.

Long-Term Incentive Plan

The Aimia Long-Term Incentive Plan (the "LTIP") was established to provide an opportunity for officers, senior executives and other employees of Aimia and its subsidiaries to participate in the successful growth and development of Aimia. Stock options and/or performance share units ("PSUs") may be granted to eligible employees. These grants are established on the basis of qualitative and quantitative criteria. All awards are made at the discretion of the Board of Directors and are subject to board approval, as are any performance vesting criteria and targets that apply to awards made. The maximum number of shares reserved and available for grant and issuance under the LTIP is limited to 16,381,000 common shares.

The vesting conditions of options and PSUs issued may include time and performance criteria, and are determined at the time of grant. In the case of options, the option term cannot exceed ten years, whereas the vesting period of PSUs shall end no later than December 31 of the calendar year which is three years after the calendar year in which the award is granted.

Stock options are considered equity-settled awards. The fair value of stock options, at the date of grant to the eligible employees, is recognized as compensation expense and a credit to contributed surplus over the applicable vesting period using the graded method of amortization. The cumulative expense for stock options at each reporting date represents the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. For options with graded vesting, each tranche is considered a separate grant with a different vesting date and fair value, and each tranche is accounted for separately. When the stock options are exercised, the Corporation issues new shares. The proceeds received, net of any directly attributable

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

transaction costs together with the related portion previously recorded in contributed surplus, are credited to share capital.

PSUs are considered cash-settled awards as they have historically been settled in cash. The fair value of PSUs, at the date of grant to PSU participants, is recognized as compensation expense over the vesting period using the graded method of amortization, with a credit to other non-current liabilities. The fair value of employee services received is calculated by multiplying the number of units expected to vest with the fair value of one unit as of grant date based on the market price of the Corporation's common shares. In addition, PSUs are fair valued at the end of every reporting period. There were no outstanding PSUs as at December 31, 2024 and 2023.

SEGMENT REPORTING

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Aimia's other segments. All operating segments' operating results are reviewed regularly by Aimia's chief operating decision-makers to make decisions about the allocation of resources to the respective segments and assess their individual performance.

Segment results that are reported to the chief operating decision-makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

CHANGES IN ACCOUNTING POLICIES

Adoption of revised accounting standards

The Corporation has adopted the following revised standards as detailed below:

Non-current liabilities with covenants (Amendments to IAS 1)

The IASB issued amendments 'Non-current liabilities with covenants' to IAS 1 'Presentation of financial statements'. The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The new amendments are effective for annual reporting periods beginning on or after January 1, 2024 and override the previous amendments. The amendments did not have any impact on the consolidated statements of the Corporation.

Change in presentation of consolidated statement of operations and statement of cash flows

Statement of operations

During the three months ended June 30, 2024, the Corporation provided a strategic update centered around the objectives of unlocking the growth potential of its core holdings (Bozzetto and Cortland International), monetizing non-core investments in which Aimia owns minority interests and reviewing its capital structure to support return of capital to shareholders. This strategic update, along with the wind-down of the MIM operations and recent monetization of many of its minority investments represents a significant change in the nature of Aimia's operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Following a review of its consolidated financial statements, the Corporation believes that the presentation of the results from its non-core investment activities, previously grouped under "Other income (loss) from investments", below operating income (loss) (previously labelled "income (loss) before the following items") is a better representation of the Corporation's updated strategy and provides information that is more useful and relevant to the users of its consolidated financial statements. Previously, "Other income (loss) from investments" was presented between gross profit and operating expenses, within operating income.

For the same reasons described above, expected credit loss related to non-trade financial assets, which were previously reported in operating expenses, are now reported under net financial expenses.

The change in presentation described above had no impact on earnings (loss) before income taxes and net earnings (loss).

	Year Ended December 31, 2023		
	As originally presented	Change in presentation	Restated
Statement of operations (extract)			
Revenue from contracts with customers	291.2	—	**291.2**
Cost of sales	(225.3)	—	**(225.3)**
Gross Profit	65.9	—	**65.9**
Other Income (loss) from investments	(83.5)	83.5	**—**
Operating expenses	(119.8)	2.9	**(116.9)**
Other income (expenses), net	(43.2)	(86.4)	**(129.6)**
Loss before income taxes	(180.6)	—	**(180.6)**
Income tax expense	(8.0)	—	**(8.0)**
Net loss	(188.6)	—	**(188.6)**
Net earnings (loss) attributable to:			
Equity holders of the Corporation	(188.0)	—	**(188.0)**
Non-controlling interest	(0.6)	—	**(0.6)**
Net loss	(188.6)	—	**(188.6)**

Statement of cash flows

Following a review of its consolidated financial statements and in order to align with the changes in presentation in the consolidated statement of operations described above, the Corporation decided to change the presentation of its interest and dividends received within the consolidated statement of cash flows, from operating activities to investing activities.

Additionally, the Corporation decided to change the presentation of its interest paid within the consolidated statement of cash flows, from operating activities to financing activities.

(Tables in millions of Canadian dollars, except share and per share amounts)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

	Year ended December 31, 2023		
	As originally presented	Change in presentation	Restated
Statement of cash flows (extract)			
Net cash from (used in) operating activities	(12.0)	(0.3)	**(12.3)**
Net cash from (used in) investing activities	(460.1)	8.1	**(452.0)**
Net cash from (used in) financing activities	85.1	(7.8)	**77.3**
Translation adjustment related to cash	(9.2)	—	**(9.2)**
Cash and cash equivalents, beginning of year	505.3	—	**505.3**
Cash and cash equivalents, end of year	109.1	—	**109.1**

FUTURE ACCOUNTING CHANGES

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

Amendments to IAS21 - Lack of exchangeability

The IASB amended IAS 21 'The Effects of Changes in Foreign Exchange Rates' to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. These new requirements will apply from 2025, with early application permitted. At this time, management does not expect the amendments to have significant impact, if any, on its consolidated financial statements.

Targeted amendments to IFRS 9, ‘Financial Instruments’, and IFRS 7, ‘Financial Instruments: Disclosures

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted. At this time, the Corporation is still evaluating the impact of these amendments but does not anticipate that they will have a significant impact, if any, on its consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

IFRS 18, 'Presentation and Disclosure in Financial Statements'

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of operations and providing management-defined performance measures within the financial statements.

At this time, the Corporation is assessing the detailed implications of applying the new standard on its consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Items in the statement of operations will be classified into one of five categories: operating; investing; financing; income taxes; and discontinued operations.
- Although the adoption of IFRS 18 will have no impact on the Corporation’s net profit, Aimia expects that grouping items of income and expenses in the statement of operations into the new investing and financing categories will impact how operations below operating income (loss) are presented. From the high-level impact assessment that the Corporation has performed, the following items might potentially impact the presentation of operating profit:
- Interest income and expenses, as well as foreign exchange differences not related to operating activities, currently aggregated in the line item ‘financial expenses, net’ might need to be disaggregated, with interest income and some foreign exchange gains or losses presented within the new investing section, while interest expense and some foreign exchange gains or losses presented within the new financing section.
- Additionally, the grouping items of income and expenses in the statement of profit or loss into the new categories might impact how operating income is calculated and reported given that the operating income could include income and expenses that are not classified in other categories given that the operating category will act as the "residual category".
- The Corporation does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/ disaggregation principles. In addition, there could be significant new disclosures required for:
    - management-defined performance measures; and
    - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss; and
- From a cash flow statement perspective, the Corporation does not expect there to be a significant change in the information that is currently presented as the Corporations already presents interest paid as financing cash flows and interest received as investing cash flows.

The new standard will be effective for annual reporting periods beginning on or after January 1, 2027, including for interim financial statements. Aimia will be required to restate comparative information on initial application.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. SEGMENTED INFORMATION

As of December 31, 2024, Aimia, through its own operations and those of its subsidiaries, operates three reportable and operating segments, namely, Bozzetto, Cortland International and Holdings.

For each of the operating segments, the Corporation's chief operating decision-makers (role currently occupied by the Executive Chairman and the President and Chief Financial Officer) review internal management reports on a monthly basis. Accounting policies applied for the Bozzetto, Cortland International and Holdings segments are identical to those used for the purposes of the consolidated financial statements.

Bozzetto

The Bozzetto segment includes the results of Bozzetto and StarChem from their respective acquisitions on May 9, 2023 and January 2, 2024 as well as other expenses that relate to these acquisitions, including transaction costs, the Paladin option expense, the Paladin carried interest expense and costs associated with the termination of Paladin agreements related to the Bozzetto investment (*Note 4*).

Cortland International

The Cortland International segment includes the results of Tufropes and Cortland from their respective acquisitions on March 17, 2023 and July 11, 2023 as well as other expenses that relate to these acquisitions, including transaction costs, the Paladin option expense, the Paladin carried interest expense and costs associated with the termination of Paladin agreements related to the Cortland International investment (*Note 5*).

Holdings

The Holdings segment includes Aimia's investments in Clear Media Limited, Kognitiv, as well as minority investments in various public company securities and limited partnerships. Holdings also includes corporate operating costs, including costs related to public company disclosure and Board of director costs, executive leadership, legal, finance and administration. The comparative period also includes results associated with MIM's operations and Aimia's investment in TRADE X.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

3. SEGMENTED INFORMATION (continued)

	Years Ended December 31,									
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Operating Segment	**Bozzetto** [(b)]		**Cortland International** [(c)]		**Holdings**		**Eliminations**		**Total**	
Revenue from contracts with customers	**347.3**	**192.1**	**153.5**	98.7	**—**	0.4	**—**	—	**500.8**	291.2
Cost of sales	**(248.4)**	**(144.1)**	**(120.4)**	(81.2)	**—**	—	**—**	—	**(368.8)**	(225.3)
Gross Profit	**98.9**	**48.0**	**33.1**	17.5	**—**	0.4	**—**	—	**132.0**	65.9
Operating expenses										
Selling, general and administrative expenses	**(70.4)**	**(50.1)**	**(28.5)**	(31.4)	**(27.4)**	(35.4)	**—**	—	**(126.3)**	(116.9)
Impairment charge	**—**	**—**	**(28.7)**	—	**—**	—	**—**	—	**(28.7)**	—
Operating income (loss)	**28.5**	**(2.1)**	**(24.1)**	(13.9)	**(27.4)**	(35.0)	**—**	—	**(23.0)**	(51.0)
Share of net earnings (loss) from equity-accounted investments	**0.6**	**0.8**	**—**	—	**(7.5)**	(20.7)	**—**	—	**(6.9)**	(19.9)
Gain on disposal of equity-accounted investments	**—**	**—**	**—**	—	**—**	19.3	**—**	—	**—**	19.3
Net change in fair value of investments	**—**	**—**	**—**	0.3	**(16.5)**	(98.9)	**—**	—	**(16.5)**	(98.6)
Interest, dividend and other investment income	**0.5**	**0.8**	**0.5**	0.7	**8.7**	14.2	**—**	—	**9.7**	15.7
Financial income (expense), net	**(22.4)**	**(12.5)**	**(1.3)**	(3.2)	**6.4**	(4.7)	**—**	—	**(17.3)**	(20.4)
Income (expenses) related to carried interest, call option, fair value gain (loss) on contingent consideration and Aimia warrants	**2.0**	**(16.9)**	**3.7**	(10.2)	**4.4**	1.9	**—**	—	**10.1**	(25.2)
Intercompany interest income (expense)	**—**	**—**	**(9.1)**	(8.1)	**9.1**	8.1	**—**	—	**—**	—
Increase in limited partners' capital liability	**—**	**—**	**—**	—	**—**	(0.5)	**—**	—	**—**	(0.5)
Earnings (loss) before income taxes [(a)]	**9.2**	**(29.9)**	**(30.3)**	(34.4)	**(22.8)**	(116.3)	**—**	—	**(43.9)**	(180.6)
Total assets [(d)]	**528.2**	**487.0**	**269.1**	278.8	**225.6**	302.1	**(122.5)**	(104.3)	**900.4**	963.6

3. SEGMENTED INFORMATION (continued)

(a) The reconciliation of the consolidated earnings (loss) before income taxes to the consolidated net earnings (loss) for the years ended December 31, 2024, and December 31, 2023, is presented in the consolidated statements of operations.

(b) The Bozzetto segment includes results of Bozzetto since its acquisition on May 9, 2023, as well as results of StarChem since its acquisition date on January 2, 2024. The results for the year ended December 31, 2024 include transaction costs of $1.0 million presented in Selling, general and administrative expenses (*Note 26A*), of which $0.4 million were related to the StarChem acquisition. The results for the year ended December 31, 2024 also include costs of $4.9 million incurred for the termination of Paladin agreements (*Note 17A*) presented in Selling, general and administrative expenses, and a $2.0 million fair value gain related to the StarChem contingent consideration payable. The results for the year ended December 31, 2023 include transaction costs of $13.3 million presented in Selling, general and administrative expenses, of which $0.6 million were related to the StarChem acquisition, a $12.6 million non-cash expense related to the Paladin Carried Interest in Bozzetto and a $4.3 million non-cash expense related to the Paladin option to purchase up to 19.9% of Aimia's investment in Bozzetto (*Note 4*).

(c) The Cortland International segment includes results of Tufropes and Cortland since their acquisition date on March 17, 2023 and July 11, 2023, respectively. The results for the year ended December 31, 2024 include transaction and transition costs of $2.4 million (*Note 26A*), costs of $1.5 million incurred for the termination of Paladin agreements (*Note 17A*) presented in Selling, general and administrative expenses, and a $3.9 million income related to the termination of the Paladin Carried Interest in Cortland International (*Note 17A*). The results for the year ended December 31, 2023 include transaction and transition costs of $15.2 million presented in Selling, general and administrative expenses, a $7.4 million non-cash expense related to the Paladin Carried Interest in Cortland International and a $2.8 million non-cash expense related to the Paladin option to purchase up to 19.9% of Cortland International (*Note 5*).

(d) Total assets of the Holdings segment as of December 31, 2024 and 2023 includes $122.5 million (2023: $104.3 million) of intercompany interest bearing loan (including accrued interests) to Cortland International.

(Tables in millions of Canadian dollars, except share and per share amounts)

3. SEGMENTED INFORMATION (continued)

GEOGRAPHIC INFORMATION

Revenue by geographical location

	Years Ended December 31,	
	2024	2023
Europe	215.7	136.9
Asia & Oceania	162.5	102.2
Americas	107.4	43.0
Africa/Middle East	15.2	9.1
Total revenue	**500.8**	291.2

Non-current assets

As at	December 31,	
	2024	2023
Europe	301.0	305.0
Asia & Oceania	186.9	211.7
Americas	80.7	48.4
Total	**568.6**	565.1

Non-current assets for this purpose include amounts relating to property, plant and equipment, intangible assets, goodwill and the tax deposit included in other non-current assets.

4. ACQUISITIONS OF STARCHEM AND BOZZETTO

A) ACQUISITION OF STARCHEM

On November 6, 2023, Aimia announced that its Bozzetto subsidiary had signed a definitive share purchase agreement to acquire 65% of StarChem. The transaction closed on January 2, 2024. StarChem, headquartered in San Pedro Sula, Honduras, is a manufacturer of specialty chemical solutions used primarily in preparation, dyeing, and finishing processes by its large, multi-national textile industry customers. StarChem has two production facilities, Merril and StarChem Honduras. Bozzetto's acquisition of StarChem will expand its geographical presence and advance Aimia's stated plan for Bozzetto to enter the Americas through mergers and acquisitions.

The purchase price for the acquisition amounted to $24.1 million (US$18.2 million), with a potential earn-out of up to $13.1 million (US$9.1 million) based on EBITDA targets to be met over the next two years, subject to customary adjustments related to net debt and working capital at closing as well as at the second anniversary of the transaction upon determination of the earn-out. Bozzetto incurred transaction costs of $1.0 million for this acquisition, of which $0.6 million were incurred in 2023. The purchase price was funded from Bozzetto's existing capex credit facility and Bozzetto's cash on hand, with 90% of the purchase price funded at closing. The remaining balance was paid during the three months ended June 30, 2024 upon the finalization of the adjustments related to net debt and working capital. The executive management team of StarChem, retains a collective minority stake of 35% in the company.

The estimated fair value of the earn-out contingent consideration at closing was based on the expected EBITDA target for StarChem to be achieved over the next two years, discounted as of acquisition date using a rate of 12.6%. The cash flows were projected based on past experience, actual operating results, and on the financial long-range plan prepared by management. At closing, the contingent consideration was estimated at $7.7 million and presented in Other non-current liabilities. As of December 31, 2024, the liability amounted to $6.9 million (*Note 17*).

Liquidity option

A put option has been granted to StarChem's executive management in order to enable them to sell a portion of their ownership to Bozzetto at each of the fifth and 10th anniversary of the transaction. The purchase price to be paid by Bozzetto upon the exercise of the option will be based on the fair value of StarChem at that time (based on the same EBITDA multiple than the 65% initial acquisition). The redemption value of the ownership has therefore been accounted as a liability with the offset in Retained earnings (Deficit). The redemption value has been discounted using a discount rate of 5.7%. If the option ends up not being exercised, the amount presented as a liability will be reclassified back to Retained earnings (Deficit) in equity. At transaction date, a value of $17.8 million has been recorded for this liability and is presented in Other non-current liabilities. As of December 31, 2024, the liability amounted to $20.4 million (*Note 17*).

Revenue and earnings before income taxes contribution

Results of StarChem since its acquisition by the Corporation are presented as part of the Bozzetto segment in *Note 3*. During the year ended December 31, 2024, StarChem has contributed revenue of $31.8 million and earnings before income taxes of $2.9 million. The earnings before income taxes include transaction costs related to the acquisition of the business of $0.4 million, net financial expenses of $3.6 million (including incremental interests expense on the credit facilities and interest on the contingent consideration liability) and a $2.0 million fair value gain on the revaluation of the earn-out contingent consideration.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

4. ACQUISITIONS OF STARCHEM AND BOZZETTO (continued)

Purchase price allocation

As permitted under IFRS 3, a provisional estimate of the purchase price allocation and fair values of tangible and intangible assets as well as goodwill was initially performed. The final allocation was completed during the fourth quarter of 2024.

Purchase price	Updated estimate as of March 31, 2024	Adjustments	Final allocation
Base purchase price	**24.1**	—	**24.1**
Net debt and working capital adjustments	**1.3**	—	**1.3**
Contingent consideration (earn-out) fair value at closing	**7.7**	—	**7.7**
Net consideration to allocate	**33.1**	**—**	**33.1**
Identifiable assets acquired and liabilities assumed			
Cash	7.6	—	7.6
Accounts receivable	8.6	(0.3)	8.3
Inventories	17.0	0.5	17.5
Other current assets	0.1	—	0.1
Property, Plant and Equipment	2.0	0.1	2.1
Customer relationships	—	29.2	29.2
Accounts payables and accrued liabilities	(13.4)	—	(13.4)
Lease liabilities	(0.9)	—	(0.9)
Other non-current liabilities	(0.1)	—	(0.1)
Total identifiable net assets (liabilities)	**20.9**	**29.5**	**50.4**
Non-controlling interests [(a)]	(7.3)	(10.3)	(17.6)
Goodwill	19.5	(19.2)	0.3
Total	**33.1**	**—**	**33.1**

(a) The Corporation has recorded the non-controlling interests based on 35% of the identifiable net assets.

4. ACQUISITIONS OF STARCHEM AND BOZZETTO (continued)

B) ACQUISITION OF BOZZETTO

On March 6, 2023, Aimia announced that it had signed a definitive agreement to acquire substantially all of the issued and outstanding shares of Giovanni Bozzetto S.p.A. ("Bozzetto") from Chequers Capital and other minority shareholders. Bozzetto is a provider of specialty chemicals, manufacturing proprietary chemicals to service its core textile, water solutions, and dispersion end markets.

The transaction closed on May 9, 2023. The purchase consideration for the 93.94% equity stake acquired by Aimia was approximately $257.8 million (€175.5 million) payable at closing in cash. Bozzetto's executive management team purchased the remaining equity stake, representing 6.06%, for $16.6 million (€11.3 million). Pursuant to the terms and conditions of Bozzetto's previous senior facilities agreement, the carrying out of the acquisition by the Corporation was determined to constitute a change of control of Bozzetto and, consequently, Bozzetto was required to repay to the lenders any outstanding amount of the loan granted under these senior facilities agreement. The repayment amounted to $83.9 million (€57.1 million) as of the acquisition date.

The Corporation financed the purchase consideration on the acquisition closing date as well as the transaction costs of $12.7 million (€8.6 million) and the repayment of Bozzetto's previous senior debt using a combination of cash on hand and an amount drawn from a new financing at the subsidiary level in the amount of $139.5 million (€95.0 million). The transaction costs paid are recorded in selling, general and administrative expenses in the consolidated statements of operations. The use of Bozzetto's cash on hand as well as the excess funds resulting from the new financing, net of the repayment of the previous senior facilities, reduced the cash contribution required from both Aimia and Bozzetto's executive management team to purchase Bozzetto, which resulted in the reduction of the contribution from Bozzetto's executive management team (non-controlling interest) from $16.6 million to $13.3 million.

During the year ended December 31, 2023, the Corporation repurchased 0.16% of equity from a management team member, increasing its total equity stake to 94.1%.

Revenue and earnings before income taxes contribution

Results of Bozzetto since its acquisition by the Corporation, along with the results of StarChem since its acquisition, are presented in the Bozzetto segment in *Note 3*.

Had Bozzetto been acquired from January 1, 2023, Bozzetto would have contributed revenue of $296.7 million. The loss before income taxes would have amounted to $25.2 million for the year ended December 31, 2023, which includes transaction costs related to the acquisition of the business and Starchem of $13.3 million, a $12.6 million non-cash expense related to the Paladin Carried Interest in Bozzetto, a $4.3 million non-cash expense related to the Paladin option to purchase up to 19.9% of Aimia's investment in Bozzetto, $14.5 million of interest and other financial expenses as well as $6.3 million related to inventory step-up expense as a result of the purchase price allocation.

4. ACQUISITIONS OF STARCHEM AND BOZZETTO (continued)

Bozzetto management investment

Bozzetto's executive management invested in the new investment structure an amount initially representing a minority equity position of 6.06%. Included in the Bozzetto executive management share structure, is a class of shares, which will provide enhanced returns of up to 3.1x their equity position of their holders should the value of the business achieve specified valuation thresholds in an exit scenario. The minimum threshold for Bozzetto's management to earn enhanced returns in such exit scenario represents a multiple of invested capital of 1.8x. During the year ended December 31, 2023, the Corporation repurchased 0.16% of equity from a management team member, increasing its total equity stake to 94.1%.

Liquidity option

A put option has been granted to Bozzetto's management in order to enable them to sell a portion of their ownership to Aimia at each of the fifth, eighth and 11th anniversary of the transaction if no exit scenario has occurred by those dates. The purchase price to be paid by Aimia upon the exercise of the option will be based on the fair value of Bozzetto at that time and shall be payable in cash.

The redemption value of the ownership has therefore been accounted as a liability with the offset in Retained earnings (Deficit). The redemption value has been discounted using a discount rate of 8.1%. If the option ends up not being exercised, the amount presented as a liability will be reclassified back to Retained earnings (Deficit) in equity. At transaction date, a value of $6.9 million has been recorded for this liability and is presented in Other non-current liabilities. The exercise of this option by Bozzetto's management does not impact their entitlement to the enhanced returns described above. As of December 31, 2024, the liability amounted to $12.5 million (2023: $7.2 million) (*Note 17*).

Agreements with Paladin (Note 17A)

Paladin Private Equity LLC ("Paladin") collaborated with Aimia on this transaction. In connection thereto, upon closing of the transaction, Aimia and Paladin have entered into certain agreements on customary terms and conditions and providing for, among other things, minority governance rights, preferred return for Aimia, certain carry related rights to the benefit of Paladin, and an option for Paladin to acquire a minority equity position of Bozzetto within one year of closing.

Option to acquire minority equity in Bozzetto

Within one year of closing, Paladin had the option, through an investment fund to be established and managed by Paladin, to purchase a minimum of 10% and a maximum of 19.9% of Aimia's equity in Bozzetto at its fully-loaded cost (i.e. Aimia's invested capital inclusive of pro-rata share of all aggregate transaction costs) plus an 8% per annum cost of capital charge.

The Corporation originally recognized a non-cash expense of $4.3 million in regard to this option based on the fair value of the option at issuance. The expense has been recorded in the caption "Income (expenses) related to carried interest, call option and fair value gain (loss) on contingent consideration" in the consolidated statements of operations and was reported as non-controlling interest in the consolidated statement of equity.

4. ACQUISITIONS OF STARCHEM AND BOZZETTO (continued)

The option expired in May 2024 without being exercised by the Paladin Group. As a result, the total carrying amount of this option of $4.3 million was reclassified from non-controlling interests to retained earnings (deficit).

Carried Interest & advisory services

In the event that Aimia disposed of Bozzetto or a carried interest crystallization event occurs, for a period of 10 years after the closing date, Paladin was entitled to certain carried interest distributions, in addition to any rights it would have under its equity ownership in the event that it exercised the Paladin Option described above. These distribution rights would commence only if and when Aimia would have earned an 8% annual compound return on its investment.

Aimia originally recognized a non-cash expense of $12.6 million related to the carried interest based on the fair value of the carried interest during the year ended December 31, 2023. The expense has been recorded in the caption "Income (expenses) related to carried interest, call option and fair value gain (loss) on contingent consideration" in the consolidated statements of operations and was reported as other long-term liability in the consolidated statement of financial position. The fair value has been estimated by considering the carried interest as a yearly-activable option (Bermuda call), using Monte Carlo simulations and linear regressions. This valuation technique involves generating multiple potential future price paths and then estimating the option value based on those paths. The valuation also factored Aimia's right to crystallize the carried interest. The valuation technique requires the use of certain key unobservable assumptions, which includes:

- Volatility of 35%
- Credit spread of 3.5%.
- The estimated fair value of Bozzetto's equity as of December 31, 2023.

A change in +/- 5% of the volatility would have resulted in a change of $1.5 million / ($1.7) million in the fair value of the carried interest, while a change of +/- 5% in the estimated fair value of Bozzetto's equity as of December 31, 2023 would have resulted in a change of $0.6 million / ($0.6) million.

The Corporation also entered into an advisory services agreement with Paladin whereas Paladin was to provide advisory services, including identifying M&A opportunities, to Bozzetto.

On May 17, 2024, Aimia and Paladin announced that they agreed to terminate existing agreements (the “Existing Paladin Agreements”) related to various rights and obligations in favor of Paladin (and/or its affiliates and related parties) (collectively, the “Paladin Group”) in Aimia’s subsidiaries, Bozzetto and Cortland International.

Refer to *Note 17A* for additional details on the termination of the Paladin agreements.

5. ACQUISITIONS OF TUFROPES AND CORTLAND INDUSTRIAL

This note presents information about Aimia's acquisition of Tufropes on March 17, 2023 as well as the Corporation's subsequent acquisition, through Tufropes, of Cortland on July 11, 2023. Results of the combined businesses are presented under the "Cortland International" segment (*Note 3*).

A) ACQUISITION OF TUFROPES

On January 31, 2023, Aimia announced that it had signed definitive agreements to acquire all of the issued and outstanding shares of Tufropes Pvt Ltd. as well as substantially all the net assets of India Nets (together referred to as "Tufropes"). Tufropes is a global manufacturer of high-performance synthetic fiber ropes and netting solutions for the maritime sector as well as other diversified industrial end markets. Tufropes has a global sales network and originally had five manufacturing facilities across India (one facility was subsequently consolidated with the others). The purchase price for the acquisition amounted to $257.0 million (₹15,280.0 million) on a cash-free and debt-free basis, and was subject to customary adjustments related to net debt and working capital at closing. The transaction closed on March 17, 2023, for a purchase consideration of $238.2 million, net of a favorable final working capital adjustment of $18.8 million. Aimia incurred transaction costs of $14.3 million in regard to this transaction, which includes due diligence, stamp duties and other Indian related transfer fees as well as success fees. Of this total, $2.1 million was incurred in the year ended December 31, 2022. The transaction costs are recorded in Selling, general and administrative expenses in the consolidated statements of operations.

B) ACQUISITION OF CORTLAND INDUSTRIAL

On July 11, 2023, Aimia, through Tufropes, acquired Cortland Industrial, LLC from Enerpac Tool Group Corp. for a base purchase price of $26.6 million (US$20.0 million) on a cash-free and debt-free basis. During the fourth quarter of 2023, an amount of $1.5 million related to the finalization of the working capital and net debt adjustment was received. Cortland is a global designer, manufacturer, and supplier of technologically advanced ropes, slings and tethers to the Aerospace & Defense, Marine, Renewables, and other diversified industrial end markets. The transaction represented a strategic step for Tufropes, and underscored Aimia’s plan to expand Tufropes’ global operations. The combined business now operates under the Cortland International name, while retaining both the Cortland and Tufropes brands for their respective product portfolios. The transaction combines two companies with distinct product and end market specializations.

The transaction was funded with cash on hand. The Corporation incurred transaction and transition costs of $3.0 million during the year ended December 31, 2023.

5. ACQUISITION OF TUFROPES AND CORTLAND INDUSTRIAL (continued)

C) AGREEMENTS WITH PALADIN (*NOTE 17A*)

Paladin collaborated with Aimia on these transactions. Concurrently with closing of the Tufropes acquisition, Aimia and Paladin entered into certain agreements providing for, among other things, governance rights, preferred return for Aimia, carry related rights to the benefit of Paladin, and an option for Paladin to acquire a minority equity position in Cortland International.

Option to acquire minority equity in Cortland International

Within one year of closing of the Tufropes acquisition, Paladin was granted the option, through an investment fund to be established and managed by Paladin, to purchase a minimum of 10% and a maximum of 19.9% of Cortland International's equity at its fully-loaded cost (i.e. Aimia's invested capital, net of debt, inclusive of pro-rata share of all aggregate transaction costs) plus an 8% per annum cost of capital charge. Concurrently with the closing of the Bozzetto acquisition on May 9, 2023 (*Note 4*), the period to exercise this option was extended to May 9, 2024.

The Corporation recognized a non-cash expense of $2.8 million in regard to this option based on the fair value of the option at issuance. The expense has been recorded in the caption "Income (expenses) related to carried interest, call option and fair value gain (loss) on contingent consideration" in the consolidated statements of operations and was reported as non-controlling interest in the consolidated statement of equity.

The option expired in May 2024 without being exercised by the Paladin Group. As a result, the total carrying amount of this option of $2.8 million was reclassified from non-controlling interests to retained earnings (deficit).

Carried Interest and advisory services

In the event that Aimia disposed of Cortland International or a carried interest crystallization event occurs, for a period of 10 years after the closing date, Paladin was entitled to certain carried interest distributions, in addition to any rights it would have under its equity ownership in the event that it exercised the Paladin Option described above. These distribution rights would commence only if and when Aimia has earned an 8% annual compound return on its investment.

Aimia recognized a non-cash expense of $7.4 million related to the carried interest based on the fair value of the carried interest during the year ended December 31, 2023. The expense was recorded in the caption "Income (expenses) related to carried interest, call option and fair value gain (loss) on contingent consideration" in the consolidated statements of operations and was reported as other long-term liability in the consolidated statement of financial position. The fair value has been estimated by considering the carried interest as a yearly-activable option (Bermuda call), using Monte Carlo simulations and linear regressions. This valuation technique involves generating multiple potential future price paths and then estimating the option value based on those paths. The valuation also factored Aimia's right to crystallize the carried interest. The valuation technique requires the use of certain key unobservable assumptions, which includes:

- Volatility of 36%
- Credit spread of 11.1%.
- The estimated fair value of Cortland International's equity as of December 31, 2023.

5. ACQUISITION OF TUFROPES AND CORTLAND INDUSTRIAL (continued)

A change in +/- 5% of the volatility would have resulted in a change of $0.9 million / ($0.9) million in the fair value of the carried interest, while a change of +/- 5% in the estimated fair value of Cortland International's equity as of December 31, 2023 would have resulted in a change of $0.4 million / ($0.4) million.

The Corporation had also entered into an advisory services agreement with Paladin whereas Paladin was to provide advisory services, including identifying M&A opportunities, to Cortland International.

On May 17, 2024, Aimia and Paladin announced that they agreed to terminate existing agreements (the “Existing Paladin Agreements”) related to various rights and obligations in favor of Paladin (and/or its affiliates and related parties) (collectively, the “Paladin Group”) in Aimia’s subsidiaries, Bozzetto and Cortland International.

Refer to *Note 17A* for additional details on the termination of the Paladin agreements.

D) REVENUES AND EARNINGS BEFORE INCOME TAXES

Combined results of Tufropes and Cortland since their acquisition by the Corporation are presented under the Cortland International segment in *Note 3*.

Pro forma results

Had Tufropes been acquired from January 1, 2023, Tufropes would have contributed revenue of $104.5 million. The loss before income taxes would have amounted to $28.5 million for the year ended December 31, 2023, which includes transaction costs of $12.2 million, a $7.4 million non-cash expense related to the Paladin Carried Interest in Cortland International, a $2.8 million non-cash expense related to the Paladin option to purchase up to 19.9% of Cortland International, a $9.3 million interest expense and a $3.0 million foreign exchange loss related to an intercompany loan, as well as executives search costs of $0.3 million.

Had Cortland been acquired from January 1, 2023, Cortland would have contributed revenues of $36.0 million. The loss before income taxes would have amounted to $4.6 million for the year ended December 31, 2023, which includes transaction and transition costs of $3.0 million and a $1.3 million interest expense.

(Tables in millions of Canadian dollars, except share and per share amounts)

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - valuation techniques with significant unobservable market inputs.

A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the fair value of the Corporation's investments and their fair value hierarchy classification.

		December 31,	December 31,
	Hierarchy	2024	2023
Investment in marketable securities			
Capital A			
Capital A - Common shares	Level 1	—	25.5
Capital A - Warrants	Level 1	—	2.2
Other - held through Tufropes	Level 2	0.1	0.1
Total		**0.1**	27.8
Investment in private companies and other financial instruments			
Clear Media Limited	Level 3	11.9	27.7
Kognitiv - Warrants	Level 3	—	0.6
Investment funds	Level 2	3.1	5.5
Total		**15.0**	33.8

(Tables in millions of Canadian dollars, except share and per share amounts)

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The net change in fair value of investments for the years ended December 31, 2024 and 2023 is detailed below.

		Years Ended December 31,	
	Hierarchy	2024	2023
Realized fair value gain (loss)			
Cineplex	Level 1	—	(2.0)
Kognitiv - Convertible Note	Level 3	—	(1.4)
Capital A - Common shares	Level 1	**(2.6)**	(0.5)
Capital A - RCUIDS	Level 1	—	1.8
Capital A - Warrants	Level 1	**0.7**	—
Marketable securities - held through Precog Capital Partners, L.P.	Level 1	—	(13.1)
Special purpose vehicles	Level 2	—	4.1
Investment funds	Level 2	**1.0**	—
Net change in unrealized fair value			
Clear Media	Level 3	**(15.8)**	(27.0)
Capital A			
Capital A - Common shares	Level 1	**1.9**	5.6
Capital A - RCUIDS	Level 1	—	(0.2)
Capital A - Warrants	Level 1	**(1.2)**	1.0
TRADE X			
TRADE X - Preferred shares	Level 3	—	(40.2)
TRADE X - Convertible Note	Level 3	—	(38.1)
TRADE X - Warrants	Level 3	—	(4.0)
Cineplex	Level 1	—	2.5
Kognitiv			
Kognitiv - Convertible Note	Level 3	—	1.3
Kognitiv - Warrants	Level 3	**(0.6)**	(0.2)
Marketable securities - held through Precog Capital Partners, L.P.	Level 1	—	12.6
Money Market Fund - held through Tufropes	Level 2	—	0.3
Special purpose vehicles	Level 2	—	(1.8)
Investment funds	Level 2	**0.1**	0.7
Net change in fair value of investments		**(16.5)**	(98.6)

(Tables in millions of Canadian dollars, except share and per share amounts)

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table provides information about how the fair value of the investments in private companies and other financial instruments were derived.

December 31, 2024				
Investments	Valuation technique	Key valuation inputs	Range	Sensitivity
Clear Media Limited	**Market Approach** - Adjusted EBITDA Multiple	EBITDA multiple	7.5x - 8.0x	+/- 1.0x = +/- $3.5MM
		Investment exit by	2030	
		Discount rate	17.5% - 19.5%	+/- 1.0% = +/- $0.5MM
Investment funds	**Price Based**	**Net Asset Value** attributed based on investor statement	N/A	N/A

December 31, 2023				
Investments	Valuation technique	Key valuation inputs	Range	Sensitivity
Clear Media Limited	**Income Approach** - Discounted cash flows	Discount rate	17.5% - 20%	+/- 1% = +/- $2.4MM
		Long-term growth rate	3%	+/- 1% = +/- $1.4MM
		Discretionary cash flow		
Kognitiv - Warrants	**Market Approach** - Black-Scholes option pricing model	Share price	$0.59	Not significant
		Volatility	50%	
		Exercise price	$1.5	
Investment funds	**Price Based**	**Net Asset Value** attributed based on investor statement	N/A	N/A

The following table presents the change in Level 3 financial instruments.

Investments	*Balance, December 31, 2023*	*New investments*	*Disposals/ Conversions*	*Net change in fair value*	*Interest income*	*Transfers in / out*	*Balance, December 31, 2024*
Clear Media	27.7	—	—	(15.8)	—	—	11.9
Kognitiv - Warrants	0.6	—	—	(0.6)	—	—	—
Total	**28.3**	**—**	**—**	**(16.4)**	**—**	**—**	**11.9**

(Tables in millions of Canadian dollars, except share and per share amounts)

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Investments	*Balance, December 31, 2022*	*New investments*	*Disposals/ Conversions*	*Net change in fair value*	*Interest income*	*Transfers in / out*	*Balance, December 31, 2023*
Clear Media	54.7	—	—	(27.0)	—	—	27.7
TRADE X - Preferred Shares	40.2	—	—	(40.2)	—	—	—
TRADE X - Convertible Note	35.0	—	—	(38.1)	3.1	—	—
TRADE X - Warrants	4.0	—	—	(4.0)	—	—	—
Kognitiv - Convertible Note	9.8	—	(10.6)	(0.1)	0.9	—	—
Kognitiv - Warrants	—	—	0.8	(0.2)	—	—	0.6
Total	**143.7**	**—**	**(9.8)**	**(109.6)**	**4.0**	**—**	**28.3**

The table below provides additional details on the cash movements related to the following line items included in the consolidated statements of cash flows for the years ended December 31, 2024 and 2023:

	Years Ended December 31,	
	2024	2023
INCLUDED IN OPERATING ACTIVITIES		
Purchases of marketable securities held for trading		
Marketable securities - held through Precog Capital Partners, L.P.	**—**	(0.9)
Total	**—**	(0.9)
Proceeds from disposal of marketable securities held for trading		
Marketable securities - held through Precog Capital Partners, L.P.	**—**	13.8
Total	**—**	13.8
INCLUDED IN INVESTING ACTIVITIES		
Proceeds from disposal of investments in marketable securities, private companies and other financial instruments		
Capital A - Common shares	**24.8**	11.1
Capital A - Warrants	**1.7**	—
Money Market Fund - held through Tufropes	**—**	16.1
Cineplex	**—**	6.2
Total	**26.5**	33.4

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Investments in equity instruments of Clear Media Limited

As of December 31, 2024, the fair value of the indirect investment in Clear Media Limited has been estimated at $11.9 million. Aimia recognized an unrealized fair value loss of $15.8 million during the year ended December 31, 2024, due to a slower than expected recovery of the business related to the current economic weakness in China, offset in part by foreign exchange variations. In addition to the fair value adjustment to the investment in Clear Media, the Corporation also recorded a $9.9 million credit loss provision on the other investment income receivable from Forward Elite due to the underlying reduction in value of the shares in Clear Media. The expected credit loss has been recognized in financial expenses in the consolidated statements of operations.

Aimia recognized an unrealized fair value loss of $27.0 million during the year ended December 31, 2023, due to a slower than expected recovery of the business post-COVID-19 related lockdowns and economic weakness in China.

Investments in TRADE X

Starting December 22, 2023, TRADE X has been placed under receivership pursuant to an order granted by the Ontario Superior Court of Justice due to legal actions taken against the company by certain creditors. After that date, the company liquidated its remaining inventory in TRADE X and its Techlantic subsidiary and sold its Wholesale Express subsidiary.

Upon the sale of Wholesale Express, the Corporation could have been entitled to a partial repayment of the A&R Note depending on the proceeds generated from such sale. Based on the proceeds from the sale and the amount of secured debts outstanding that have priority over Aimia's A&R Note, the Corporation expects that the probability to receive any significant reimbursement of the A&R Note is remote at this time.

In light of these events, the Corporation has assessed the fair value of its various investments in TRADE X as nil as of December 31, 2023. Based on this assessment, the Corporation recorded total unrealized fair value losses of $82.3 million for the twelve months ended December 31, 2023, split as follows:

- **Preferred shares**: $40.2 million.
- **Convertible note**: $38.1 million.
- **Warrants**: $4.0 million.

Bridge loan

During the second quarter of 2023, Aimia made a $2.7 million (US$2.0 million) bridge loan to TRADE X. The loan had a 12% interest rate, was subject to a 5% set-up fee and matures at the earlier of (i) one-year from the date of the loan; and (ii) the date the sale of Wholesale Express is consummated. The Corporation accrued interest of $0.3 million during the year ended December 31, 2023. The bridge loan matured in January 2024 upon the sale of Wholesale Express. Given the events described above, Aimia considers that the bridge loan is credit impaired. The Corporation has therefore recorded an expected credit loss of $2.9 million in regards to this loan in net financial expenses in the fourth quarter of 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Investment in Capital A Berhad

Common shares

During the year ended December 31, 2024, the Corporation 107,435,545 common shares of Capital A for total proceeds of $24.8 million (MYR 86.1 million). As of December 31, 2024, the Corporation has completely divested its investment in Capital A common shares.

The disposal of Capital A common shares resulted in a realized loss of $2.6 million during the year ended December 31, 2024, as well as an unrealized fair value gain of $1.9 million during the year ended December 31, 2024.

During the year ended December 31, 2023, the Corporation sold 44,173,100 common shares of Capital A for total proceeds of $11.1 million (MYR 38.2 million), which resulted in a realized loss of $0.5 million.

In December 2023, Aimia converted all of its RCUIDS on a one-to-one basis for common shares of Capital A. At the conversion date, the value of the new common shares of Capital A was $10.1 million (MYR 34.6 million).

During the year ended December 31, 2023, Aimia recorded an unrealized fair value gain of $5.6 million for this investment.

RCUIDS and Warrants

During the year ended December 31, 2024, the Corporation sold 20,245,568 warrants of Capital A for total proceeds of $1.7 million (MYR 5.5 million). As of December 31, 2024, the Corporation has completely divested its investment in Capital A warrants.

The disposal of Capital A warrants resulted in a realized fair value gain of $0.7 million during the year ended December 31, 2024, as well as an unrealized fair value loss of $1.2 million during the year ended December 31, 2024 for this investment.

As described above, in December 2023, Aimia converted all of its RCUIDS on a one-to-one basis for common shares of Capital A. This resulted in a realized gain of $1.8 million (MYR 7.6 million) on the settlement of the RCUIDS, as well an unrealized fair value loss of $0.2 million during the year ended December 31, 2023. Aimia also recorded dividend income of $0.5 million related to the RCUIDS during the year ended December 31, 2023.

Investment in secured subordinated convertible note of Kognitiv

In January 2022, Aimia invested an amount of $10.0 million in a secured subordinated convertible note of Kognitiv. The note had a 12% interest bearing rate (paid-in-kind) and, unless converted as a result of a qualified financing, would mature 18 months after the closing date.

During the third quarter of 2023, Kognitiv raised $4.4 million of new capital by issuing new senior preferred shares and warrants. While this amount was not considered a qualified financing, Aimia along with certain other convertible note holders, chose to convert their note into the same series of securities issued at a 20% discount to the price at

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

which such securities were issued. Aimia chose to convert $10.1 million of its $12.0 million amount outstanding at that date. For each share issued to Aimia as a result of that conversion, the Corporation also obtained 0.5 warrant. Each warrant enable the Corporation to purchase one senior preferred share at the value of the most recent financing round referred above. The warrants expire on August 31, 2028. At the conversion date, the fair value of the preferred shares and warrants issued was determined to be $8.2 million and $0.7 million, respectively.

For the remaining $1.9 million of convertible note not converted, the note was amended to extend the maturity to July 31, 2024 and increase the interest rate to 15%. During the three months ended December 31, 2023, Kognitiv raised an additional $4.0 million of new capital by issuing new senior preferred shares and warrants. Concurrently with this additional financing, Aimia chose to convert its remaining convertible note and accrued interest into the same series of securities issued at a 20% discount to the price at which such securities were issued. For this second conversion, the Corporation again obtained 0.5 warrant for each share issued. The warrants expire on November 30, 2028. At the conversion date, the fair value of the preferred shares and warrants issued was determined to be $1.6 million and $0.1 million, respectively.

The value of the preferred shares issued upon those conversions was recorded as an increase in the carrying amount of Aimia's investment in Kognitiv (*Note 9*).

Prior to its entire conversion in preferred shares and warrants of Kognitiv, the Corporation had accrued interest of $0.9 million on the convertible note during the year ended December 31, 2023. In addition, the Corporation had recorded a realized fair value loss of $1.4 million during the year ended December 31, 2023 upon the full conversion of the note mentioned above, as well as an unrealized fair value gain of $1.3 million during the year ended December 31, 2023 for this investment.

Investment in Precog Capital Partners L.P.

On June 1, 2021, the Corporation invested $25.0 million in Precog Capital Partners L.P. ("Precog"), an investment fund whose general partner was MIM, a wholly-owned subsidiary of the Corporation. As a result of this investment, Aimia concluded it had control over the investment fund per the definition of IFRS 10 and therefore consolidated the fund. Following the Corporation's decision to wind down the operations of MIM starting April 14, 2023, the Precog investment fund was wound down. As a result, Aimia, as well as other limited partners, were entitled to receive either i) a distribution in kind of the underlying marketable securities attributable to their investment in Precog; ii) cash (based on the proceeds from the sale of the fund's investments in marketable securities); or iii) a combination of both.

During the third quarter of 2023, Aimia received distribution in kind of the underlying securities attributable to its investment and subsequently sold substantially all of its portfolio for total proceeds of $12.0 million.

Aimia recognized a realized fair value loss of $13.1 million during the year ended December 31, 2023 as well as an unrealized fair value gain of $12.6 million during the same period, in regards to the equity instruments held through Precog.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Investments in Special Purpose Vehicles

Special Purpose Vehicle 1

Starting in 2020, the Corporation invested $6.5 million (US$5.0 million) into a special purpose vehicle created to pursue a leveraged buyout of a target company. Aimia had the option to purchase up to a total of 25% of the potential acquired company in the event the leveraged buyout is consummated. In January 2023, Aimia redeemed all of its investment in the special purpose vehicle for an amount of $6.3 million (US$4.7 million), resulting in a realized fair value loss of $0.4 million (US$0.3 million) during the first quarter ended March 31, 2023.

Aimia recognized an unrealized fair value gain of $0.4 million during the year ended December 31, 2023 for this investment.

Special Purpose Vehicle 2

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. In November 2023, Aimia redeemed all of its investment in the special purpose vehicle for an amount of $18.2 million (US$13.3 million), resulting in a realized fair value gain of $4.5 million (US$3.3 million). On this amount, $17.3 million (US$12.6 million) was received during the fourth quarter of 2023, and the remaining balance, which was recorded in accounts receivable at December 31, 2023, was received in the first quarter of 2024.

Aimia recognized an unrealized fair value loss of $2.2 million during the year ended December 31, 2023 for this investment.

Investments in investment funds

During the three months ended March 31, 2024, Aimia redeemed its investment in one investment fund for an amount of $3.5 million, resulting in a realized fair value gain of $1.0 million. During the year ended December 31, 2024, Aimia recognized an unrealized fair value gain of $0.1 million, related to its investments in investment funds.

Financial assets and financial liabilities at amortized cost

The carrying amounts reported in the consolidated statement of financial position for cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate fair values based on the immediate or short-term maturities of these financial instruments. The carrying amount of the long-term debt approximates its fair value based on the variable rate characteristic of the debt, which resets every three or six months (*Note 14*).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

7. ACCOUNTS RECEIVABLE

As at	December 31, 2024	December 31, 2023
Trade receivables	98.9	80.7
Sales tax receivable	9.3	8.1
Other receivables	1.6	2.3
Total	**109.8**	91.1

8. INVENTORIES

As at	December 31, 2024	December 31, 2023
Raw materials and supplies	39.3	29.8
Finished goods	37.2	26.6
Work in progress	5.3	4.8
Total	**81.8**	61.2

For the years ended December 31, 2024 and 2023, write-downs of inventories recognized as expenses in cost of sales were insignificant.

A portion of the inventories held in Cortland International amounting to $13.3 million has been pledged against as security against a working capital credit facility. The credit facility was undrawn as of December 31, 2024 (*Note 14*).

(Tables in millions of Canadian dollars, except share and per share amounts)

9. EQUITY-ACCOUNTED INVESTMENTS

As at	December 31, 2024	December 31, 2023
Kognitiv	—	7.8
Other investment in associates - held through Bozzetto	4.9	4.4
Total	**4.9**	12.2

Share of net earnings (loss) of equity-accounted investments	Years Ended December 31,	
	2024	2023
Kognitiv	(7.5)	(20.7)
Other investment in associates - held through Bozzetto	0.6	0.8
Total	**(6.9)**	(19.9)

INVESTMENT IN KOGNITIV

As of December 31, 2024, due to the accumulation of the share of net losses from Kognitiv equity-accounted for by Aimia since its initial investment, the carrying value of the Kognitiv investment now amounts to nil. Accordingly, during the second quarter of 2024, the Corporation has stopped recognizing its share of net losses from Kognitiv when Aimia's share of net losses of Kognitiv equaled its net investment in Kognitiv. Aimia has not incurred any legal or constructive obligations, nor made payments on behalf of Kognitiv and, as such, has not recognized any liabilities related to its investment in Kognitiv.

Aimia's other investments in Kognitiv include senior secured promissory notes (*Note 23*), which are not considered part of the net investment in Kognitiv for the purpose of equity-accounting.

Proposal under Bankruptcy and Insolvency Act

On December 12, 2024, Kognitiv filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to Section 50.4 of the Bankruptcy and Insolvency Act (Canada). On January 10, 2025, Kognitiv submitted a Proposal to all of its creditors pursuant to Part III of the Bankruptcy and Insolvency Act (Canada). The purpose of this Proposal is to:

- allow Kognitiv to effect a restructuring of its business and affairs;
- permit Kognitiv to maintain and continue its business operations; and
- carry out a sale process (for the sale of Kognitiv’s operations and assets), all so as to maximize recoveries and facilitate a possible distribution of any proceeds of its estate generated from the sale process that exceed the claims of any secured creditors or the net proceeds, to the affected creditors with proven claims in the expectation that all affected creditors will derive greater benefit from this Proposal than they would otherwise receive from a bankruptcy of the company.

9. EQUITY-ACCOUNTED INVESTMENTS (continued)

Divestiture of the Enterprise business

During third quarter of 2024, Kognitiv divested its Enterprise business unit and associated Enterprise Loyalty Platform ("ELP"). The transaction also includes the Air Miles Middle-East Reward Program. The ELP is separate and distinct from Kognitiv's SaaS platform.

2024 Financing

During the year ended December 31, 2024, Kognitiv secured new short-term debt financing in the form of secured promissory notes amounting to $3.4 million, of which $2.5 million was provided by Aimia. This amount included $1.0 million already advanced by Aimia as of December 31, 2023.

Refer to *Note 23* for additional details on the promissory note agreements Aimia entered into with Kognitiv.

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

In connection with Aimia's divestiture of its investment in PLM on July 15, 2022, an earn-out in an amount of $37.6 million (US$27.5 million), would be payable to Aimia in cash should the PLM loyalty program achieve 100% of targeted annual gross billings amounts in either of the years 2022, 2023 or 2024 (the "earn-out years"). The earn-out that could be payable to Aimia is subject to an adjustment based on the actual gross billings achieved by PLM compared to the target and could vary from $17.1 million (US$12.5 million) based on 97.5% of the target, up to $51.2 million (US$37.5 million) based on 115% of the target. Aimia is only entitled to receive an earn-out amount once in respect of the earn-out years and, accordingly, to the extent that PLM's annual gross billings for any of the earn-out years are equal to or more than 97.5% of the target, Aimia shall receive such earn-out amount for that earn-out year. Once an earn-out amount is received, Aimia will not be entitled to receive an additional earn-out amount in respect of any subsequent earn-out year.

In the fourth quarter of 2023, the Corporation was informed by PLM that the company had achieved 99.4% of the targeted annual gross billings amount for the year ended December 31, 2023, and thus, that Aimia would be entitled to an earn-out, which resulted in the recognition of a gain of $19.3 million during the year ended December 31, 2023 presented in "Gain on disposal of equity-accounted investments" in the consolidated statement of operations.

On May 29, 2024, the Corporation received an amount of $32.9 million (US$24.1 million), representing the earn-out receivable by the Corporation in connection with the PLM divestiture, calculated on the basis of the earn out formula and the Gross Billings achieved by PLM in 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Plant and machinery	Factory, office and other buildings	Right-of-use assets	Construction in progress	Total
Year ended December 31, 2023						
Opening net carrying amount	—	—	—	—	—	—
Additions	—	3.1	0.4	2.1	4.2	9.8
Additions through business acquisitions (*Notes 4 & 5*)	21.2	79.6	33.8	14.4	4.4	153.4
Reclassifications	—	1.8	0.2	—	(2.0)	—
Depreciation expense [(a)]	—	(6.5)	(1.7)	(2.2)	—	(10.4)
Exchange differences and other	(0.4)	(1.6)	(0.7)	(0.2)	(0.4)	(3.3)
Closing net carrying amount	**20.8**	**76.4**	**32.0**	**14.1**	**6.2**	**149.5**
At December 31, 2023						
Cost	20.8	82.8	33.7	16.2	6.2	159.7
Less: accumulated depreciation	—	(6.4)	(1.7)	(2.1)	—	(10.2)
Less: accumulated impairment charges	—	—	—	—	—	—
Closing Net carrying amount	**20.8**	**76.4**	**32.0**	**14.1**	**6.2**	**149.5**
Year ended December 31, 2024						
Opening net carrying amount	20.8	76.4	32.0	14.1	6.2	149.5
Additions	—	4.3	0.8	3.4	4.6	13.1
Additions through business acquisitions (*Note 4*)	—	1.1	0.1	0.9	—	2.1
Sale and disposals	(0.8)	(0.2)	(0.4)	—	—	(1.4)
Reclassifications	—	5.8	0.7	—	(6.5)	—
Depreciation expense [(a)]	—	(11.2)	(2.0)	(4.6)	—	(17.8)
Exchange differences and other	0.7	4.4	2.2	0.9	(0.4)	7.8
Closing net carrying amount	**20.7**	**80.6**	**33.4**	**14.7**	**3.9**	**153.3**
At December 31, 2024						
Cost	20.7	98.4	37.1	21.6	3.9	181.7
Less: accumulated depreciation	—	(17.8)	(3.7)	(6.9)	—	(28.4)
Less: accumulated impairment charges	—	—	—	—	—	—
Closing Net carrying amount	**20.7**	**80.6**	**33.4**	**14.7**	**3.9**	**153.3**

(a) Depreciation expense is included in cost of sales in the consolidated statement of operations (*Note 26A*).

RIGHT-OF-USE ASSETS

The carrying amount of right-of-use assets included in property, plant and equipment by type is as follows:

	Land	Plant and machinery	Factory, office and other buildings	Total
December 31, 2023	3.1	2.7	8.3	14.1
December 31, 2024	3.0	2.8	8.9	14.7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

11. GOODWILL AND INTANGIBLE ASSETS

	Customer relationships	Trade names	Other intangibles	Total intangible assets	Goodwill
Year ended December 31, 2023					
Opening net carrying amount	1.1	—	—	1.1	—
Additions	—	—	1.4	1.4	—
Additions through business acquisitions (*Notes 4 & 5*)	175.0	54.8	3.7	233.5	168.3
Amortization expense [(a)(b)]	(8.3)	(3.3)	(0.9)	(12.5)	—
Impairment charges	—	—	—	—	—
Exchange differences and other	(4.2)	(0.6)	—	(4.8)	(4.3)
Closing net carrying amount	**163.6**	**50.9**	**4.2**	**218.7**	**164.0**
At December 31, 2023					
Cost	170.8	54.2	5.1	230.1	164.0
Less: accumulated amortization	(7.2)	(3.3)	(0.9)	(11.4)	—
Closing Net carrying amount	**163.6**	**50.9**	**4.2**	**218.7**	**164.0**
Year ended December 31, 2024					
Opening net carrying amount	163.6	50.9	4.2	218.7	164.0
Additions	—	—	1.1	1.1	—
Additions through business acquisitions (*Note 4*)	29.2	—	—	29.2	0.3
Amortization expense [(b)]	(11.1)	(5.1)	(1.4)	(17.6)	—
Impairment charges	—	—	—	—	(28.7)
Exchange differences and other	8.1	1.4	0.1	9.6	5.8
Closing net carrying amount	**189.8**	**47.2**	**4.0**	**241.0**	**141.4**
At December 31, 2024					
Cost	208.4	55.8	6.2	270.4	170.1
Less: accumulated amortization	(18.6)	(8.6)	(2.2)	(29.4)	—
Less: accumulated impairment charges	—	—	—	—	(28.7)
Closing Net carrying amount	**189.8**	**47.2**	**4.0**	**241.0**	**141.4**

(a) Amortization expense for the Holdings segment is included in selling, general and administrative expenses in the consolidated statement of operations (*Note 26A*).

(b) Amortization expenses for the Bozzetto and the Cortland International segments are included in cost of sales in the consolidated statement of operations (*Note 26A*).

(Tables in millions of Canadian dollars, except share and per share amounts)

11. GOODWILL AND INTANGIBLE ASSETS (continued)

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill

For the purpose of impairment testing, goodwill is allocated to Aimia's operating businesses which represent the lowest level within Aimia at which goodwill is monitored for internal management purposes, and is aligned with Aimia's operating segments.

Impairment test

At December 31, 2024 and 2023, the carrying amount of goodwill allocated by cash-generating unit ("CGU") or group of CGUs as well as the terminal growth rates and discount rates applied in the discounting of future cash flows were as follows:

Impairment test 2024	Operating Segment	Carrying amount of goodwill at December 31, 2024		Discounted Free Cash Flow Assumptions	
CGU or Group of CGUs		Pre-impairment testing	Post-impairment testing	Terminal Growth Rates	Discount Rates
Bozzetto group of CGUs	Bozzetto	79.4	79.4	2%	11.6%
Cortland International group of CGUs	Cortland International	90.7	62.0	3.8%	13.8%
Total goodwill		**170.1**	**141.4**		

Impairment test 2023	Operating Segment	Carrying amount of goodwill at December 31, 2023		Discounted Free Cash Flow Assumptions	
CGU or Group of CGUs		Pre-impairment testing	Post-impairment testing	Terminal Growth Rates	Discount Rates
Bozzetto group of CGUs	Bozzetto	77.4	77.4	2%	11.4%
Cortland International group of CGUs	Cortland International	86.6	86.6	3%	13.8%
Total goodwill		**164.0**	**164.0**		

The recoverable amounts of Aimia's cash-generating units or group of CGUs for the years ended December 31, 2024 and 2023 were based on a fair value less costs of disposal calculation. The valuation technique is classified as level 3 in accordance with the fair value hierarchy described in *Note 6*.

Fair value less costs of disposal was determined by using an average of the discounted future cash flows generated from the CGUs or group of CGUs and a market approach derived using a multiplication of earnings. The calculation of the discounted future cash flows was based on the following key assumptions:

- Cash flows forecasts were projected based on past experience, actual operating results, and on the financial long-range plan prepared by management.

11. GOODWILL AND INTANGIBLE ASSETS (continued)

- Other key assumptions applied in the discounting of future cash flows include terminal growth rates and discount rates. Rates were applied to each group of CGUs based on the economic indicators and specific risks related to the respective businesses within these CGUs.

The key assumptions for the market approach include:

- Adjusted EBITDA projected on the basis of past experience, actual operating results and the long range plan prepared by management. Adjusted EBITDA is a non-GAAP measure and represents operating income (loss) adjusted to exclude depreciation, amortization and impairment charges related to non-financial assets and share-based compensation.

- Multipliers were determined on the basis of the transaction multiple for these acquisitions and publicly available information of listed comparable companies.

Test result and sensitivity - Bozzetto

Based on the results of the impairment tests conducted in 2024 and 2023, the carrying amount of the Bozzetto group of CGUs was determined to be lower than its recoverable amount and thus, no impairment was recognized. Based on the inputs described above, the break-even discount rate for the Bozzetto group of CGUs was 21%.

Test result and sensitivity - Cortland International

Based on the results of the impairment tests conducted in 2024, the carrying amount of the Cortland International group of CGUs was determined to be higher than its recoverable amount and thus, an impairment of $28.7 million was recognized. The impairment is due to delays in the execution of certain components of the original investment thesis.

Based on the inputs described above, a change of +/- 1% in the discount rate would have impacted the goodwill impairment by $9.7 million / $(11.9) million, while a change in +/- 1% in the terminal growth rate would have impacted the goodwill impairment by $5.8 million / $(7.1) million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

12. OTHER NON-CURRENT ASSETS

As at	December 31, 2024	December 31, 2023
Tax deposit *(Note 20)*	**32.9**	32.9
Other investment income receivable	**—**	4.2
Other	**0.9**	1.5
Total	**33.8**	38.6

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	December 31, 2024	December 31, 2023
Trade payables	54.4	51.2
Non-trade payables and other accrued expenses	9.8	13.5
Employee compensation and benefits accruals (excluding share-based compensation)	10.3	8.4
Sales tax payable	2.0	1.1
Share-based compensation liability - current portion	—	1.5
Total	**76.5**	75.7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

14. LONG-TERM DEBT

BOZZETTO

Senior credit facilities

Amounts outstanding under the Bozzetto credit facilities as of December 31, 2024 are as follows:

	Outstanding EUR	Outstanding CAD	Maturity
Facility A [(a)(e)]	31.3	**46.8**	May 2028
Facility B [(b)(e)]	47.5	**71.1**	May 2029
Capex A [(c)(e)]	3.5	**5.2**	May 2028
Capex B [(d)(e)]	9.0	**13.5**	May 2029
Senior loans - All facilities	91.3	**136.6**	
CDP senior loan [(f)]	13.8	**20.6**	September 2027
Total long-term debt before unamortized transaction costs	105.1	**157.2**	
Unamortized transaction costs	(4.0)	**(5.9)**	
Total long-term debt	101.1	**151.3**	
Less: current portion	(5.4)	**(8.1)**	
Long-term debt	95.7	**143.2**	

(a) Facility A bears interest at the E6M reference rate plus a margin of 4.25% at December 31, 2024. Starting in the first half of 2025, the margin will be 4.00%. Facility A is subject to semi-annual principal repayment and semi-annual interest payments.

(b) Facility B bears interest at the E6M reference rate plus a margin of 4.75% at December 31, 2024. Starting in the first half of 2025, the margin will be 4.50%. Facility B is subject to full principal repayment at the termination date in May 2029 and semi-annual interest payments.

(c) Capex A bears interest at the E6M reference rate plus a margin of 4.25% at December 31, 2024. Starting in the first half of 2025, the margin will be 4.00%. Capex A is subject to semi-annual principal repayment and semi-annual interest payments.

(d) Capex B bears interest at the E6M reference rate plus a margin of 4.75% at December 31, 2024. Starting in the first half of 2025, the margin will be 4.50%. Capex B is subject to full principal repayment at the termination date in May 2029 and semi-annual interest payments.

(e) Each of the Facilities are also subject to annual mandatory prepayments based on Bozzetto's excess cash flow and leverage ratio, as defined in the senior facility agreements, starting in December 2024.

(f) CDP senior loan bears interest at E3M reference rate plus a margin of 1.80%, and is subject to quarterly principal repayments and quarterly interest payments.

14. LONG-TERM DEBT (continued)

Senior Loans

Aimia completed the Bozzetto related financing at the subsidiary level in the amount of $139.5 million (€95.0 million) at closing of the acquisition on May 9, 2023. The interest rate on the senior facilities is based on the Euribor 6 months ("E6M") plus a margin which can vary between 3.25% and 4.75% based on Bozzetto's leverage ratio, as defined in the senior facilities agreement, and depending on how the facilities are drawn. The financing was also subject to upfront financing fees of $6.8 million (€4.6 million) paid at closing, which were recorded as a reduction of the debt balance at inception and are amortized into earnings using the effective interest rate method. At closing of the acquisition, the cash proceeds drawn from this debt financing net of the financing costs were $132.7 million (€90.4 million). Other financing costs paid to third parties amounted to $1.3 million (€0.9 million) and were recorded as deferred financing costs.

Under the terms of the senior facilities agreement, Bozzetto is subject to the satisfaction of a leverage ratio, which is measured on a quarterly basis. The leverage ratio is defined as the ratio of total net debt at the end of the relevant period over the trailing twelve months EBITDA, as defined in the senior facilities agreement.

Bozzetto has pledged the entire corporate capital of certain of its subsidiaries (Giovanni Bozzetto S.p.A., BGB Giovanni Bozzetto S.A.U. and Asutex S.A.U.) as security for these credit facilities.

Cancellation of unused commitment

During the year ended December 31, 2024, Bozzetto cancelled the unused available commitment under each of the Capex A and Capex B facilities amounting to €3.5 million and €3.5 million, respectively, as well as the totality of the unused available commitment under the Revolver amounting to €10.0 million.

Repayments

In June 2024, Bozzetto repaid a principal amount of $4.2 million (€2.9 million) under its credit Facility A, representing the semi-annual principal repayment under the terms of Bozzetto's credit facilities. In December 2024, Bozzetto repaid a principal amount of $6.0 million (€4.0 million), representing the Facility A and Capex A semi-annual principal repayments under the terms of Bozzetto's credit facilities.

In November and December 2024, Bozzetto provided to the lenders notices of voluntary prepayment amounting to $20.6 million (€13.9 million) and $1.5 million (€1.0 million), respectively, against the Facility A and Capex A tranches of its senior loans. The voluntary prepayment was applied against portions of the scheduled semi-annual principal repayments under the senior loans amortization schedule for the June 2025, December 2025, June 2026 and December 2026 repayment dates.

Derivatives

As per conditions of the external financing agreement that required Bozzetto to hedge a minimum of 50% of its Facility A and B notional, Bozzetto entered into hedging derivatives agreements. These derivatives are as follows:

- From draw date to June 2025: Interest rate swap with 0% floor (pay fixed - 3.715%; receive variable - E6M) covering €75.0 million of drawn amount.

14. LONG-TERM DEBT (continued)

- From July 2025 to June 2026: Interest rate cap of the E6M at 3.5% covering €45.0 million of drawn amount.

As of December 31, 2024, the interest rate swap derivative had a negative fair value of $0.6 million and the interest rate cap derivative had a positive fair value of $0.4 million.

CDP senior loan

During the third quarter of 2024, Bozzetto entered into a new financing agreement with an Italian development bank for an amount of $22.6 million (€15.0 million). This new loan matures in September 2027 and bears interest at Euribor 3 months ("E3M") plus a margin of 1.80% per annum. The loan is subject to equal quarterly principal repayments starting December 2024 as well as quarterly interest payments.

Under the terms of the CDP senior loan agreement, Bozzetto is subject to the satisfaction of a leverage ratio, which is measured on a quarterly basis starting on September 30, 2024. The leverage ratio is defined as the ratio of total net debt at the end of the relevant period over the trailing twelve months EBITDA, as defined in the loan agreement.

In December 2024, Bozzetto repaid a quarterly principal amount of $1.9 million (€1.25 million).

Other borrowings

As of December 31, 2024, Bozzetto had other current borrowings amounting to $5.2 million.

CORTLAND INTERNATIONAL

Credit facilities

At December 31, 2024, certain subsidiaries of Cortland International (namely, Tufropes Private Limited and Tufnets Private Limited) had committed credit facilities with variable interest rates, when drawn, amounting to $19.3 million. (₹1,150.0 million). These subsidiaries have pledged the totality of their current assets as well as up to 60% of certain buildings as security for these facilities. As of December 31, 2024, the credit facilities were undrawn.

HOLDINGS

Subsequent event - 2030 Notes

Pursuant to the Substantial Issuer Bid (*Note 18*), as of January 30, 2025, 4,528,157 Preferred Shares, Series 1, 660,174 Preferred Shares, Series 3 and 2,701,600 Preferred Shares, Series 4, were validly tendered and exchanged for considerations totaling $138.3 million into 2030 Notes, representing 97% of the par value, maturing on January 14, 2030 (*Note 14*). In addition, the Corporation incurred transaction costs of $3.8 million connection with the SIB of which $2.8 million will be recorded as deferred financing costs and $1.0 million recorded against Contributed Surplus in the consolidated statement of changes in equity.

14. LONG-TERM DEBT (continued)

The 2030 Notes will bear interest at an annual rate of 9.75% payable semi-annually in arrears on June 30 and December 31 in each year (or the immediately following Business Day if any interest payment date would not otherwise be a Business Day) commencing on June 30, 2025.

Aimia will have the option, in its sole discretion, to pay interest on the 2030 Notes in paid-in-kind interest at a 1.50% premium to the cash coupon ("PIK Interest"); provided, however, that Aimia shall not be entitled to make PIK Interest payments on the 2030 Notes if concurrently with such payments Aimia satisfies its obligations ranking junior to the 2030 Notes (not including any obligations of Bozzetto or Cortland).

At the option of the Corporation, the 2030 Notes can be early redeemed. Prior to the second anniversary of the date of issuance of the 2030 Notes, the 2030 Notes are redeemable, in whole or in part, at:

- a price equal to 100% of the aggregate principal amount of the 2030 Notes being redeemed; plus
- accrued and unpaid interest; and
- a redemption premium, representing interest payments due at of the redemption date on the 2030 Notes through the second anniversary of the date of the issuance (excluding accrued and unpaid interest), discounted using the Government of Canada Rate, as defined in the agreement, as of such redemption date plus 100 basis points.

From the second anniversary of the date of issuance to their maturity date, the 2030 Notes are redeemable, in whole or in part, from time to time, at:

- a price equal to 100% of the aggregate principal amount of the 2030 Notes being redeemed; plus
- accrued and unpaid interest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

15. LEASE LIABILITIES

As at December 31, 2024, the undiscounted future lease liabilities payments are as follows:

	Carrying amount	Interest portion	Undiscounted cash flows						
			Total	2025	2026	2027	2028	2029	Thereafter
Lease liabilities	12.3	2.2	14.5	5.2	3.3	2.4	1.8	1.2	0.6
Current portion	4.2								
Long-term portion	8.1								

Expenses from leases in the statement of operations	Years Ended December 31,	
	2024	2023
Interest expense on lease liabilities	0.9	0.4
Expenses for variable lease payments not included in the measurement of lease liabilities	0.8	0.5
Expense for short-term leases and leases for low-value assets	0.4	0.4
Total	**2.1**	1.3

16. INCOME TAXES

Income Tax Expense

Income tax expense (recovery) for the year is as follows:

	Years Ended December 31,	
	2024	2023
Current tax expense		
Current Part VI.1 tax expense for the year	5.9	5.1
Current tax expense for the year	10.8	6.5
Total current tax expense	**16.7**	**11.6**
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	(7.1)	(3.6)
Total deferred tax expense (recovery)	**(7.1)**	**(3.6)**
Income tax expense	**9.6**	**8.0**

(Tables in millions of Canadian dollars, except share and per share amounts)

16. INCOME TAXES (continued)

Income taxes included in the statement of earnings differ from the statutory rate as follows:

	Years Ended December 31,			
	2024		2023	
	%	$	%	$
Reconciliation of statutory tax rate				
Income tax expense (recovery) at Canadian statutory tax rate:	26.50	(11.6)	26.50	(47.9)
Adjusted for the effect of:				
Temporary differences for which no deferred income tax asset has been recorded	3.18	(1.4)	(14.99)	27.1
Temporary differences for which no deferred tax is recognized on the current year operating tax losses	(19.17)	8.4	(2.77)	5.0
Temporary differences - other	(1.37)	0.6	1.33	(2.4)
Permanent differences - impairment charge on goodwill	(17.32)	7.6	—	—
Permanent differences - divestiture of equity-accounted investment	2.27	(1.0)	1.28	(2.3)
Permanent differences - other	(4.33)	1.9	(13.51)	24.4
Foreign operations - subject to different tax rates	1.82	(0.8)	(0.11)	0.2
Part VI.1 tax, net of deduction Part 1 tax recovery	(13.44)	5.9	(2.16)	3.9
Income tax expense (recovery) as reported in the consolidated statements of operations and effective tax rate	(21.86)	9.6	(4.43)	8.0

The Corporation's applicable tax rate is the Canadian combined rates applicable in the jurisdictions in which the Corporation operates.

Deferred income tax assets and liabilities

At December 31, 2024, no deferred tax assets were recognized for temporary differences of $98.9 million (2023: $91.4 million) related to investments in subsidiaries because Aimia controls whether the assets will be utilized and it is satisfied that it will not be utilized in the foreseeable future.

The amounts recognized in the consolidated balance sheet consist of:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

16. INCOME TAXES (continued)

As at	December 31, 2024	December 31, 2023
Deferred tax assets		
- to be recovered within 12 months	—	0.4
- to be recovered after 12 months	**6.7**	8.4
	6.7	8.8
Deferred tax liabilities		
- to be settled within 12 months	—	(2.6)
- to be settled after 12 months	**(52.3)**	(57.7)
	(52.3)	(60.3)
Net recognized deferred income tax liabilities	**(45.6)**	(51.5)

Movements in temporary differences during the years ended December 31, 2024 and 2023 were as follows:

	Balance at December 31, 2023	Recognized in Earnings	Recognized in OCI	Recognized in CTA	Business acquisitions *(Note 4)*	Balance at December 31, 2024
Deferred tax assets (liabilities)						
Losses available for carryforward	1.3	(1.3)	—	—	—	—
Deferred transaction costs	0.6	(0.2)	—	—	—	0.4
Other deferred tax assets	10.7	2.7	(0.1)	0.2	—	13.5
Customer relationships and trade names	(42.6)	3.0	—	(0.7)	—	(40.3)
Property, Plant and Equipment	(11.6)	0.4	—	(0.5)	—	(11.7)
Deferred tax liabilities on disposal of equity-accounted investment in PLM	(2.6)	2.6	—	—	—	—
Other deferred tax liabilities	(7.3)	(0.1)	—	(0.1)	—	(7.5)
Total recognized deferred income tax assets (liabilities)	**(51.5)**	**7.1**	**(0.1)**	**(1.1)**	**—**	**(45.6)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

16. INCOME TAXES (continued)

	Balance at December 31, 2022	Recognized in Earnings	Recognized in OCI	Recognized in CTA	Business acquisitions (*Notes 4 & 5*)	Balance at December 31, 2023
Deferred tax assets (liabilities)						
Losses available for carryforward	—	1.3	—	—	—	1.3
Deferred transaction costs	—	0.6	—	—	—	0.6
Other deferred tax assets	—	1.7	0.3	(0.1)	8.8	10.7
Customer relationships and trade names	—	1.8	—	0.6	(45.0)	(42.6)
Property, Plant and Equipment	—	0.2	—	0.2	(12.0)	(11.6)
Deferred tax liabilities on disposal of equity-accounted investment in PLM	—	(2.6)	—	—	—	(2.6)
Other deferred tax liabilities	—	0.6	—	—	(7.9)	(7.3)
Total recognized deferred income tax assets (liabilities)	**—**	**3.6**	**0.3**	**0.7**	**(56.1)**	**(51.5)**

(Tables in millions of Canadian dollars, except share and per share amounts)

16. INCOME TAXES (continued)

Operating tax losses

At December 31, 2024, Aimia had the following operating tax losses available for carryforward, for which the deferred tax benefit has not been recorded in the accounts as it was not considered probable that taxable profits would be available against which deferred tax assets could be utilized. These operating tax losses may be used to reduce taxable income in future years:

Country		Carryforward period
(i) Canada		
losses available for carryforward	0.2	2028
	0.6	2036
	3.7	2038
	65.2	2039
	21.7	2040
	31.6	2041
	19.3	2042
	47.5	2043
	53.4	2044
	243.2	
(ii) United States		
losses available for carryforward	2.8	2028
	11.5	2029
	35.1	2030
	26.4	2032
	39.4	2033
	11.3	2034
	17.2	2035
	14.9	2036
	10.8	2037
	91.4	Indefinite with limitations on usage
	260.8	

Capital tax losses

At December 31, 2024, Aimia had Canadian capital tax losses of $495.9 million and Indian capital tax losses of $3.1 million, for which the deferred tax benefit has not been recorded in the consolidated financial statements, which may be used to reduce taxable capital income in future years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

17. OTHER NON-CURRENT LIABILITIES

As at	December 31, 2024	December 31, 2023
Carried interest *(Notes 4 & 5)*	—	20.0
Provision for post-employment benefits	**11.4**	11.6
Aimia warrants (*Note 18*)	**4.6**	8.6
Share-based compensation	**2.1**	7.8
Liability related to put options granted to non-controlling interests ("NCI") (*Note 4*)	**32.9**	7.2
Litigation provision (*Note 20*)	**4.0**	4.0
Other non-current borrowings	—	2.5
Contingent consideration - Business acquisition (*Note 4*)	**6.9**	0.9
Deferred compensation - Business acquisition	—	0.1
Other	**2.7**	2.3
Total	**64.6**	65.0

A) TERMINATION OF PALADIN AGREEMENTS, INCLUDING THE SETTLEMENT OF CARRIED INTEREST LIABILITIES

On May 17, 2024, Aimia and Paladin announced that they agreed to terminate existing agreements (the “Existing Paladin Agreements”) related to various rights and obligations in favor of Paladin (and/or its affiliates and related parties) (collectively, the “Paladin Group”) in Aimia’s subsidiaries, Bozzetto and Cortland International.

Under the terms of the Existing Paladin Agreements, members of the Paladin Group were entitled to, among other things, carried interests in certain entities in Bozzetto and Cortland International, which represented liabilities of $12.7 million and $7.6 million, respectively, on May 17, 2024, minority governance rights, including director representation rights and registration rights in certain entities in Bozzetto and Cortland, and the payment of certain advisory service fees.

Pursuant to the agreements between members of the Paladin Group and Aimia, Paladin and Aimia agreed to terminate the Existing Paladin Agreements, and terminate such rights and settle all amounts due thereunder for a total consideration of $22.9 million. In exchange for Paladin’s carried interest in Bozzetto, Aimia issued 5,040,000 common shares of Aimia valued at $12.6 million. In addition, Aimia made a total cash payment of $10.3 million, of which $3.7 million was paid as consideration for the Cortland carried interest and $6.6 million for the termination of the advisory agreements with Paladin. This resulted in a $4.0 million income related to the settlement of the carried interest as well as an expense of $6.6 million presented in Selling, general and administrative expenses. The detailed impact on the Corporation's statement of operations, by operating segment, for the year ended December 31, 2024 is presented below:

(Tables in millions of Canadian dollars, except share and per share amounts)

17. OTHER NON-CURRENT LIABILITIES (continued)

	Bozzetto	Cortland International	Holdings	Total
Income (expenses) related to carried interest				
Carrying amount of carried interest liabilities on May 17, 2024	12.7	7.6	—	20.3
Consideration to settle carried interest liabilities:				
Common shares issued (*Note 18*)	(12.6)	—	—	(12.6)
Cash settlement	—	(3.7)	—	(3.7)
Total consideration to settle carried interest liabilities	(12.6)	(3.7)	—	(16.3)
Total included in Income (expenses) related to carried interest	**0.1**	**3.9**	**—**	**4.0**
Selling, general and administrative expenses				
Consideration to terminate Paladin advisory agreements:				
Cash settlement	(4.9)	(1.5)	(0.2)	(6.6)
Total consideration to terminate Paladin advisory agreements	(4.9)	(1.5)	(0.2)	(6.6)
Other professional and advisory fees	—	—	(0.6)	(0.6)
Total included in Selling, general and administrative expenses	**(4.9)**	**(1.5)**	**(0.8)**	**(7.2)**

Prior to their settlement, the fair value of the carried interest liabilities was estimated by considering the carried interest as a yearly-activable option (Bermuda call), using Monte Carlo simulations and linear regressions. This valuation technique involved generating multiple potential future price paths and then estimating the option value based on those paths. The valuation also factored Aimia's right to crystallize the carried interest.

B) PROVISION FOR POST-EMPLOYMENT BENEFITS

Bozzetto has certain post-employment defined benefits pension obligations and regulatory employee leaving indemnity schemes. These plans and schemes are completely unfunded.

The amounts recognized in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

(Tables in millions of Canadian dollars, except share and per share amounts)

17. OTHER NON-CURRENT LIABILITIES (continued)

	Years Ended December 31,	
	2024	2023
Opening balance	**11.6**	—
Current service cost	0.1	0.3
Past service costs	—	—
Interest expense	0.4	0.3
Total amount recognized in the statement of operations	0.5	0.6
Remeasurements		
(Gain) loss from change in demographic assumptions	—	—
(Gain) loss from change in financial assumptions	(0.5)	0.8
Experience losses	—	—
Total amount recognized in other comprehensive income	(0.5)	0.8
Assumed liability related to business acquisition (*Note 4*)	—	10.8
Benefits paid	(0.6)	(0.5)
Exchange differences	0.4	(0.1)
Closing balance	**11.4**	11.6

The actuarial assumptions and the sensitivity analysis for the main plans (representing 83% of the total liability) are presented below:

Actuarial assumptions and sensibility analysis		
	2024	2023
Actuarial assumptions		
Discount rate	3.4%	3%
Rate of compensation increase	2.0%	2.5%
Inflation rate	2.50%	2.25%
Average percentage of personnel leave	0% (employees over age 50)	0% (employees over age 50)
Mortality table	RICHTTAFELN 2018 G	RICHTTAFELN 2018 G
Average duration of the defined benefits obligation	14.1	14.7
Sensitivity analysis		
Sensitivity impact - Discount rate +0.5%	(0.6)	(0.7)
Sensitivity impact - Discount rate -0.5%	0.7	0.7

(Tables in millions of Canadian dollars, except share and per share amounts)

18. CAPITAL STOCK

A) CAPITAL STOCK

Authorized:

An unlimited number of common shares, voting, no par value;

An unlimited number of preferred shares, non-voting, non-participating, issuable in series, no par value. In the event that Aimia has not paid the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, the holders of preferred shares become entitled to receive notice of and to attend meetings of the shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and to vote together with all other shareholders of the Corporation entitled to vote at such meetings on the basis of one vote for each preferred share.

COMMON SHARES:

Issued and outstanding	December 31, 2024		December 31, 2023	
	Number of shares	$	Number of shares	$
Opening balance [(a)]	**94,639,614**	**25.8**	**84,164,614**	**4.4**
Common shares issued - Termination of Paladin agreements	5,040,000	12.6	—	—
Common shares issued - Private placement	—	—	10,475,000	21.4
Common shares issued - MIM transaction	24,560	—	—	—
Common shares cancelled - MIM transaction [(a)]	(1,302,857)	0.8	—	—
Shares repurchased under the normal course issuer bid program	(2,988,000)	(1.2)	—	—
Closing balance	**95,413,317**	**38.0**	**94,639,614**	**25.8**

(a) The common shares issued at December 31, 2023 and 2022 included 1.6 million shares subject to forfeiture and/or clawback clauses that had been issued and deposited in escrow. During the year ended December 31, 2024, 1.3 million shares were forfeited and cancelled, while the remaining 0.3 million were released from escrow to the MIM sellers.

Share issuance in connection with the termination of the Paladin agreements

As part of the consideration to terminate the Paladin agreements, the Corporation issued 5,040,000 common shares valued at $12.6 million. Refer to *Note 17A* for additional details on the termination of the Paladin agreements.

18. CAPITAL STOCK (continued)

Private placement

On October 21, 2023, Aimia announced the closing of a Private Placement by strategic investors of 10,475,000 common shares together with 10,475,000 common share purchase warrants for total gross proceeds of $32.5 million, of which $23.4 million was allocated to the common shares and $9.1 million to the warrants.

The issue price of each common share and accompanying warrant was $3.10, with a $3.70 warrant exercise price. The warrants are subject to customary anti-dilution provisions, are currently exercisable and expire five years from the date of issuance. The warrants include a cashless exercise option for the holders and, as such, the warrants do not meet the 'fixed for fixed' requirement under IAS 32. Therefore, the warrants are classified as a liability (*Note 17*) and are measured at fair value through profit and loss at each reporting period. The initial fair value of the warrants was estimated using a binomial option pricing model and the residual amount was allocated to the common shares.

Aimia incurred transaction costs of $2.7 million in connection with this private placement, of which $2.0 million was allocated to the common shares and recognized in equity, with the remaining $0.7 million being allocated to the warrants and recorded in Selling, general and administrative expenses in the consolidated statements of operations.

Normal course issuer bid

On June 4, 2024, the Corporation announced it had received approval from the Toronto Stock Exchange to purchase up to 7,009,622 of its issued and outstanding common shares under a normal course issuer bid ("NCIB") during the period from June 6, 2024 to no later than June 5, 2025 (the "2024-2025 NCIB"). During the year ended December 31, 2024, Aimia repurchased, under the 2024-2025 NCIB, 2,988,000 common shares for a total consideration of $7.8 million, which included 1,300,000 common shares repurchased from Milkwood Capital (UK) Ltd. (“Milkwood”) for $3.3 million as part of the settlement agreement between the parties that was announced on December 29, 2023 (*Note 20*). Share capital was reduced by $1.2 million and the remaining $6.6 million balance was accounted for as a reduction of contributed surplus.

Subsequent to December 31, 2024, Aimia repurchased 635,400 common shares for a total consideration of $1.6 million.

Escrow shares and contingent shares

The consideration paid for the acquisition of Mittleman Investment Management, LLC, in June 2020 included up to 2.7 million common shares that could be issued to the sellers subject to achievement of certain earn-out and performance related targets prior to the fourth anniversary of the closing of the transaction. Of those 2.7 million common shares, 1.6 million were subject to forfeiture and/or clawback clauses, and were originally issued and deposited in escrow (the "escrow shares") at the transaction closing. The remaining common shares could only be issued upon achieving the performance related targets (the "contingent shares").

None of the performance targets were achieved prior to the fourth anniversary of the transaction on June 19, 2024. Therefore, in accordance with the terms of MIM purchase agreement, 262,828 escrow shares were released from escrow, 1,302,857 escrow shares were forfeited and cancelled, 24,560 new common shares were issued and no contingent shares were issued.

(Tables in millions of Canadian dollars, except share and per share amounts)

18. CAPITAL STOCK (continued)

Upon the release of the escrow shares to the sellers, an amount of $0.8 million was reclassified from accounts payable and accrued liabilities to share capital. Given that no contingent shares were issued, $1.3 million of the original contributed surplus recorded related to the contingent shares was reclassified to retained earnings.

PREFERRED SHARES:

Issued and outstanding	December 31, 2024		December 31, 2023	
	Number of shares	$	Number of shares	$
Opening balance	**9,438,403**	**231.1**	**9,438,403**	**231.1**
Closing balance	**9,438,403**	**231.1**	**9,438,403**	**231.1**
Represented by:				
Preferred Shares, Series 1	5,083,140	124.4	5,083,140	124.4
Preferred Shares, Series 3	1,649,151	40.4	4,355,263	106.7
Preferred Shares, Series 4	2,706,112	66.3	—	—

Preferred shares, Series 1

As of December 31, 2024, there are 5,083,140 issued and outstanding Series 1 Preferred Shares, all of which are listed on the Toronto Stock Exchange. The holders of the Series 1 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 of the Series 1 Preferred Shares for the five-year period from and including March 31, 2020 up to but excluding March 31, 2025 is 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.

On February 26, 2025, the Corporation announced that it does not intend to exercise its right to redeem its currently outstanding Series 1 Shares on March 31, 2025. Aimia also announced that due to the results of its Substantial Issuer Bid completed on January 30, 2025, there will be 606,658 Series 1 Shares outstanding as of March 31, 2025. In accordance with the terms of the Series 1 Shares, as there will be less than 1,000,000 Series 1 Shares outstanding, none of the Series 1 Shares will be eligible for conversion into Cumulative Floating Rate Preferred Shares, Series 2 (“Series 2 Shares”) on March 31, 2025 (since any such conversion would result in less than 1,000,000 Series 2 Shares being outstanding).

The annual dividend rate for the five-year period from and including March 31, 2025 to, but excluding, March 31, 2030 will be 6.281% being equal to the five-year Government of Canada bond yield of 2.531% plus 3.75%, as determined in accordance with the rights, privileges, restrictions and conditions attaching to the Series 1 Shares.

Preferred shares, Series 3 and Series 4

On February 22, 2024, Aimia announced that it would not be exercising its right to redeem all or part of the Series 3 Preferred Shares on March 31, 2024. As a result and subject to certain conditions, the holders of the Series 3 Preferred Shares had the right, at their option, to convert their shares into Cumulative Redeemable Floating Rate First Preferred Shares, Series 4 (the “Series 4 Shares”), subject to certain conditions. On March 22, 2024, Aimia

18. CAPITAL STOCK (continued)

announced that 2,706,112 of its 4,355,263 currently outstanding Series 3 Shares were tendered for conversion, on a one-for-one basis, into Series 4 Shares after having taken into account all election notices following the March 18, 2024 conversion deadline. As a result, as at April 1, 2024, the Corporation had 1,649,151 Series 3 Shares issued and outstanding and 2,706,112 Series 4 Shares issued and outstanding.

With respect to the Series 3 Shares outstanding on or after April 1, 2024, the annual dividend rate for the five-year period from and including March 31, 2024 up to but excluding March 31, 2029 will be 7.773%, 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.

With respect to the Series 4 Shares outstanding on or after April 1, 2024, the dividend rate for the floating rate period from and including December 31, 2024 to, but excluding, March 31, 2025 will be 7.681%, being equal to the three-month Government of Canada Treasury Bill yield plus 4.20% per annum, calculated on the basis of the actual number of days in such quarterly period divided by 365, as determined in accordance with the rights, privileges, restrictions and conditions attaching to the Series 4 Shares (the “Floating Quarterly Dividend Rate”). The Floating Quarterly Dividend Rate will be reset every quarter.

Substantial issuer bid ("SIB")

On November 26, 2024, the Corporation launched a substantial issuer bid pursuant to which Aimia offered to purchase for cancellation (the “Offers”) up to 100% of its Cumulative Rate Reset Preferred Shares, Series 1 (the “Series 1 Shares”), Cumulative Rate Reset Preferred Shares, Series 3 (the “Series 3 Shares”) and Cumulative Floating Rate Preferred Shares, Series 4 (the “Series 4 Shares” and collectively with the Series 1 Shares and the Series 3 Shares, the “Preferred Shares”) in consideration for 9.75% senior unsecured notes (the “2030 Notes”).

The Offers were based on the following exchange considerations:

i. Series 1 Shares: $17.00 per Series 1 Share;
ii. Series 3 Shares: $17.50 per Series 3 Share; and
iii. Series 4 Shares: $18.4375 per Series 4 Share.

The purchase price per Preferred share (the “Purchase Price”) was settled as follows:

i. the issuance of $100 principal amount of 2030 Notes for each $97 aggregate amount of Exchange Consideration, and
ii. where a Preferred Shareholder’s entitlement to 2030 Notes would result in the Preferred Shareholder receiving an amount of 2030 Notes that is not a multiple of $100, such Preferred Shareholder received its entitlement to the remaining amount in cash.

The Offers expired on January 30, 2025.

As of January 30, 2025, 4,528,157 Preferred Shares, Series 1, 660,174 Preferred Shares, Series 3 and 2,701,600 Preferred Shares, Series 4, were validly tendered and exchanged for considerations totaling $138.3 million into 2030 Notes, representing 97% of the par value, maturing on January 14, 2030. In addition, the Corporation incurred transaction costs of $3.8 million connection with the SIB of which $2.8 million will be recorded as deferred financing

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

18. CAPITAL STOCK (continued)

costs and $1.0 million recorded against Contributed Surplus in the consolidated statement of changes in equity. The excess of the preferred shares' assigned value over the exchange consideration amounted to $54.8 million and will be accounted for as an increase in contributed surplus in the first quarter of 2025. Refer to *Note 14* for additional details on the 2030 Notes.

B) STOCK-BASED COMPENSATION

The total stock-based compensation expense for the years ended December 31, 2024 and 2023 was as follows:

	Years Ended December 31,	
	2024	2023
Stock options compensation	0.3	0.1
DSU compensation	(0.6)	(0.3)
Total stock-based compensation	**(0.3)**	**(0.2)**

Aimia Long-Term Incentive Plan

The number of Aimia stock options granted to employees during the year, the related compensation expense recorded, and the assumptions used to determine stock-based compensation expense, using the binomial options pricing model, were as follows:

	Years Ended December 31,	
	2024	2023
Compensation expense relating to the options granted (millions)	$ 0.1	$ 0.1
Number of stock options granted	794,960	1,027,529
Weighted average fair value per option granted ($)	$ 0.88	$ 1.06
Aggregate fair value of options granted (millions)	$ 0.7	$ 1.1
Weighted average assumptions:		
Share price	$ 2.60	$ 3.04
Exercise price	$ 2.60	$ 3.04
Risk-free interest rate	2.92 %	3.49 %
Expected volatility	34.55 %	34.95 %
Dividend yield	— %	— %
Expected option life (years)	4.7	4.5
Vesting conditions - time (years)	2.4	3.1

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

18. CAPITAL STOCK (continued)

A summary of stock option activity related to the employees participating in the Aimia Long-Term Incentive Plan is as follows:

	2024		2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding - Beginning of year	**1,102,671**	**3.05**	**75,142**	**3.25**
Granted	794,960	2.60	1,027,529	3.04
Exercised	—	—	—	—
Forfeited	(585,938)	2.91	—	—
Expired	—	—	—	—
Options outstanding - end of year	**1,311,693**	**2.84**	**1,102,671**	**3.05**
Options exercisable - end of year	**218,840**	**3.22**	**75,142**	**3.25**

The details of options outstanding and exercisable at December 31, 2024 are as follows:

	Options Outstanding		Options Exercisable		
Year granted	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Expiration Date
2019	75,142	3.25	75,142	3.25	2026
2023	441,591	3.21	143,698	3.20	2030
2024	794,960	2.60	—	2.60	2031
	1,311,693	**2.84**	**218,840**	**3.22**	

Aimia Deferred Share Unit Plan

The details of Aimia's DSUs described in *Note 2* are as follows:

	DSU	
December 31,	2024	2023
Number of units outstanding - beginning of year	**3,448,550**	**3,552,309**
Units granted during the year	892,640	257,583
Units forfeited during the year	(750,000)	(45,695)
Units settled during the year	(2,257,994)	(315,647)
Number of units outstanding - end of year	**1,333,196**	**3,448,550**
Weighted average fair value per unit on date of grant ($)	$ 2.65	$ 3.32

The DSUs granted to directors are usually not subject to vesting conditions. DSUs granted to designated employees have various vesting periods and may include certain performance indicators.

18. CAPITAL STOCK (continued)

During the year ended December 31, 2020, a special grant of 3.8 million DSUs were issued to executives and had the following characteristics:

- 516,667 were not subject to vesting conditions. 416,667 of those DSUs were settled during the year ended December 31, 2024;
- 600,000 are subject to performance vesting conditions (Aimia's share price trading at a weighted average of $6.00/share or higher over a consecutive 20 day trading period). If the performance condition is met, the DSUs are vesting in equal parts at each grant anniversary over the next 6 years. 500,000 of those DSUs were forfeited during the year ended December 31, 2024 ;
- 2,683,333 vesting in equal parts at each grant anniversary over 5 or 6 years. 1,500,000 of those DSUs were settled during the year ended December 31, 2024. 250,000 and 833,333 of those DSUs were forfeited during the years ended December 31, 2024 and 2022, respectively.

DSUs are payable only upon termination of service. At December 31, 2024, the intrinsic value of vested DSUs amounted to $1.9 million (2023: $6.7 million).

19. COMMITMENTS

As at December 31, 2024, the non-cancellable estimated future minimum payments under various contractual obligations were not significant.

20. CONTINGENT LIABILITIES

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 and/or employees to support the performance obligations of its subsidiaries under commercial and/or employment 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.

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").

In addition to customary transactional indemnity clauses, Aimia had 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 this tax payment indemnification clause, $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 (*Note 12*). 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.

20. CONTINGENT LIABILITIES (continued)

PLM Transaction

As part of the PLM divestiture, the Corporation agreed to provide indemnification to PLM and Aeromexico in the event that PLM and Aeromexico suffer losses resulting from the default or breach by the Corporation of its obligations under the Definitive Agreement. The maximum potential future payments that the Corporation could be required to make under these indemnifications are not determinable at this time, as any future payments would be dependent on the type and extent of the related claims, and all available defenses, which cannot be estimated. However, historically, costs incurred to settle claims related to these indemnifications have not been material to the Corporation's consolidated financial position, net income or cash flows.

In addition, Aimia and PLM and Aeromexico have agreed to share certain potential additional Mexican income and withholding tax liabilities that could result solely from this transaction. If any additional Mexican income and withholding tax liabilities are to be assessed by the Mexican tax authorities (the "Liability"), Aimia would assume and shall be solely responsible for the first US$27.5 million of Liability, PLM and Aeromexico would assume and be jointly and severally responsible for the next US$27.5 million and, for any amount above such US$55.0 million of the Liability, the Liability shall be assumed and shared equally between the parties, whereby Aimia shall be responsible for 50% of such Liability and PLM and Aeromexico shall assume and are jointly and severally responsible for the other 50% of such Liability. Aimia's responsibility and obligation to pay its share of the Liability is limited to US$50.0 million and will not extend beyond five years from the date of filing before the tax authorities of the annual income tax return of PLM containing the tax liability resulting from this transaction, subject to statute of limitation extension by the tax authorities whereby the indemnification term would be extended until the expiration of such statute of limitations. No amount has been recorded in these financial statements with respect to this clause.

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 Inc., 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, 2024 and December 31, 2023.

20. CONTINGENT LIABILITIES (continued)

OTHER CLAIMS, LITIGATION AND LEGAL PROCEEDINGS

Actions against alleged joint actors

On April 12, 2023, Aimia commenced an action against Christopher Mittleman before the Ontario Superior Court. Aimia alleged that Christopher Mittleman communicated with various Aimia shareholders relating to the acquisition and voting of Aimia shares. The Corporation subsequently amended its claim to name Mithaq Capital SPC (“Mithaq”) and Milkwood as defendants. Aimia alleged, among other things, that Mithaq, Milkwood and Mr. Mittleman engaged in an undisclosed campaign to acquire Aimia shares in an effort to reconstitute Aimia’s board and alter its business strategy. Mr. Mittleman, Milkwood, and Mithaq each commenced counterclaims against Aimia.

Additionally, on April 27, 2023, Mithaq commenced an application against Aimia before the Ontario Superior Court, seeking a review of the proxies cast at Aimia’s April 18, 2023 annual general meeting of shareholders (the “AGM”) and additional unspecified “ancillary relief”. On October 5, 2023, Mithaq brought a motion seeking a declaration that none of Aimia’s directors were elected at the AGM and an order calling a special meeting of Aimia shareholders.

On December 29, 2023, Aimia announced that it had entered into a settlement agreement with Milkwood through which both Aimia and Milkwood agreed to dismiss all legal proceedings against each other. On January 3, 2024, Aimia announced that it had entered into a settlement agreement with Mr. Mittleman through which both Aimia and Mr. Mittleman agreed to dismiss all legal proceedings against each other. Litigation settlement expenses related to these two settlement agreements have been recorded in selling, general and administrative expenses in the consolidated statements of operations. These expenses were not material.

On October 31, 2024, Aimia announced that it had signed a cooperation agreement (the “Cooperation Agreement”) with Mithaq that resulted in the dismissal of all outstanding litigation between the two parties, the appointment of two Mithaq nominees to Aimia’s Board of Directors, the grant of customary pre-emptive and registration rights to Mithaq, the adoption of customary standstill provisions through March 31, 2026, and an undertaking from Mithaq to vote all of its common shares of the Corporation in favour of each of Aimia’s management nominees for election to the Corporation’s board of directors at Aimia’s next annual general meeting of shareholders to be held in 2025.

Aimia has agreed to pay Mithaq $2.1 million (US$1.5 million) as reimbursement for third-party fees, costs and expenses incurred by Mithaq in connection with the litigation. The expense has been recorded in the third quarter of 2024 and is presented in Selling, general and administrative expenses in the consolidated statements of operations.

Claim from 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 has filed a statement of defense and counterclaim in January 2021. The counterclaim against the plaintiff seeks damages on the basis of the plaintiff’s breach of his employment contract. The parties have exchanged productions and conducted examinations for discovery. During the year ended December 31, 2022, the Corporation has recorded a provision of $4.0 million for this claim. The provision is presented in Other non-current liabilities in the consolidated statements of financial position (*Note 17*). The Corporation is actively contesting this claim.

(Tables in millions of Canadian dollars, except share and per share amounts)

21. DIVIDENDS

Quarterly dividends declared to preferred shareholders of Aimia for the years ended December 31, 2024 and 2023, were as follows:

	2024		2023	
Three months ended	Amount	Per preferred share	Amount	Per preferred share
Series 1				
March 31,	1.5	0.300125	1.5	0.300125
June 30,	1.6	0.300125	1.6	0.300125
September 30,	1.5	0.300125	1.5	0.300125
December 31,	1.5	0.300125	1.5	0.300125
Total	**6.1**	**1.200500**	**6.1**	**1.200500**
Series 3				
March 31,	1.7	0.375688	1.7	0.375688
June 30,	0.7	0.485813	1.6	0.375688
September 30,	0.8	0.485813	1.6	0.375688
December 31,	0.8	0.485813	1.6	0.375688
Total	**4.0**	**1.833127**	**6.5**	**1.502752**
Series 4				
March 31,	—	—	—	—
June 30,	1.5	0.570677	—	—
September 30,	1.6	0.570098	—	—
December 31,	1.5	0.528183	—	—
Total	**4.6**	**1.668958**	**—**	**—**
Total preferred dividends on Series 1, Series 3 and Series 4	**14.7**		12.6	

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, 2024, the gross amount of Part VI.1 tax expense is $5.9 million (2023: $5.1 million). Aimia and its related Canadian subsidiaries currently do not have sufficient Canadian taxable income to benefit from the Part VI.1 tax deduction to offset the Part 1 tax. Any unused Part VI.1 tax deduction are carried forward as non-capital losses under the rules specifically provided under the ITA.

During the years ended December 31, 2024 and 2023, the Corporation paid $2.9 million and $2.1 million of Part VI.1 tax, respectively.

On March 17, 2025, the Board of Directors of Aimia declared quarterly dividends of $0.300125 per Series 1 preferred share, $0.485813 per Series 3 preferred share and $0.473486 per Series 4 preferred share, in each case payable on March 31, 2025, to shareholders of record on March 24, 2025.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

22. EARNINGS (LOSS) PER COMMON SHARE

	Years Ended December 31,	
	2024	2023
Earnings (loss) attributable to equity holders of the Corporation	**(56.4)**	(188.0)
Deduct: Dividends declared on preferred shares related to the period (*Note 21*)	**(14.7)**	(12.6)
Earnings (loss) attributable to common shareholders	**(71.1)**	(200.6)
Weighted average number of common shares - Basic and diluted [(a)]	**95,355,111**	84,693,929
Basic earnings (loss) per common share	**$ (0.75)**	$ (2.37)
Diluted earnings (loss) per common share	**$ (0.75)**	$ (2.37)

(a) The weighted average number of basic common shares calculation for the year ended December 31, 2023 excluded common shares issued and deposited in escrow as part of the MIM transaction as they were subject to forfeitures.

(Tables in millions of Canadian dollars, except share and per share amounts)

23. RELATED PARTIES

ULTIMATE CONTROLLING PARTY

During the years ended December 31, 2024 and 2023, shares of the Corporation were widely held and the Corporation did not have an ultimate controlling party.

TRANSACTIONS WITH DIRECTORS AND KEY MANAGEMENT PERSONNEL

As of December 31, 2024, key management personnel was identified as Aimia's board of directors as well as the Corporation's:

- Executive Chairman;
- President & Chief Financial Officer;
- Chief Legal Officer.

Prior to their departure in the first quarter of 2024, Phil Mittleman (former CEO) Michael Lehmann (former President) were part of Aimia's key management personnel.

Key management personnel based in Canada participate in registered defined contributions pension plan with annual contributions of 15% of base salary, through co-payment by the Corporation and the executive, up to the annual maximum permitted under relevant legislation. Once the maximum allowable deductible pension contribution is reached, Aimia pays the President & CFO an amount equivalent to achieve the target annual contribution of 15% of base salary.

Key management personnel based in the United States participate in a 401(k) retirement savings plan. Under the plan and subject to IRS annual contribution maximums, employees may contribute up to the maximum established for the fiscal year. Where the employee contributes the maximum allowable value, the Corporation shall do the same to maximize the employee's 401(k) plan for the year.

Key management personnel of Aimia may also participate in the DSU Plan (deferred share units) and the LTIP (stock options).

The compensation for services paid or payable to directors and to key management roles identified above is shown below:

	Years Ended December 31,	
	2024	2023
Director compensation, and key management salaries and benefits [(a)]	**2.0**	4.1
Post-employment benefits	**0.2**	0.1
Share-based compensation and other performance awards	**(0.5)**	(0.2)
Termination benefits	**1.6**	—
Total	**3.3**	4.0

(a) Salaries and benefits include short-term incentive compensation.

23. RELATED PARTIES (continued)

In addition to the above amounts, the Corporation is committed to pay incremental benefits to certain members of key management up to $1.8 million in the event of a termination without cause or up to $2.9 million in the event of a termination resulting from a change in control.

DEPARTURE OF EXECUTIVES

During the year ended December 31, 2024, the Corporation announced the departure of its CEO, Phil Mittleman and President, Michael Lehmann. The executives were granted by the Corporation separation payments amounting to an aggregate of $1.6 million. In addition, 416,667 unvested DSUs owned by the CEO vested. The intrinsic value of these DSUs represented $1.4 million at the time of departure. All of the executives' vested DSUs, which represented a total amount of $4.3 million upon payment, were settled in July 2024 in accordance with the DSU plan.

The departure of Phil Mittleman was not considered a termination event in the context of the MIM acquisition agreement and, as such, he remained entitled to escrow shares and contingent shares in accordance with the original acquisition agreement. On the fourth anniversary of the MIM acquisition, 104,645 escrow shares were released to Phil Mittleman (*Note 18)*.

TRANSACTIONS WITH POST-EMPLOYMENT BENEFIT PLANS

Aimia, Bozzetto and Cortland international offers post-employment benefits to its former employees by way of defined contribution and defined benefit plans. The transactions with these plans are limited to contributions and payment of benefits (*Notes 17B and 26A*).

TRANSACTIONS WITH A FORMER EXECUTIVE

Deferred share units

On March 27, 2023, the Corporation terminated the employment of a former executive, Christopher Mittleman. The termination of this former executive constituted a termination of service under the Corporation’s DSU plan. Upon termination of service, this former executive became entitled, for each DSU credited to its account, to a payment in cash equivalent to the value of an Aimia common share. As of the termination date, this former executive held 416,667 vested DSUs.

Secured promissory note

On July 8, 2022, the Corporation entered into a secured promissory note agreement to lend Christopher Mittleman an amount of $1.3 million (US$1.0 million). The secured promissory note bore interest at 7.5% annually and had a maturity date at the earlier of (1) July 8, 2027 or (2) the date upon which the vested DSUs granted to the former executive are settled pursuant to the terms and conditions of the DSU plan.

The termination of employment of this former executive was considered an event of default under the secured promissory note agreement. As a result, the principal as well as accrued and unpaid interests outstanding became

23. RELATED PARTIES (continued)

immediately due. During the three months ended March 31, 2024, upon settlement of the DSUs, Aimia has received full payment of the promissory note and accrued interest.

Escrow and contingent shares

Under the Purchase Agreement and related agreements (the “MIM Agreements”) regarding the purchase, by the Corporation, on June 19, 2020, of MIM, a portion of the consideration payable to Christopher Mittleman was contingent upon his continued employment with the Corporation for a period of 10 years. Given the termination of his employment before the end of such period, the Corporation was entitled to claw back the pro rata portion of the consideration attributable to this executive, with recourse against the 485,053 shares attributable to the former executive placed in escrow at the time the acquisition of MIM closed. Accordingly, upon the fourth anniversary of the transaction, these escrow shares were forfeited and cancelled (*Note 18*). In addition, this former executive was no longer entitled to its 291,032 contingent shares in connection with the MIM acquisition.

As a result, an accrued liability for deferred compensation of $0.4 million was reversed in the year ended December 31, 2023, relating to the claw back of the escrow shares, as described above, and $0.6 million of the original contributed surplus recorded related to the contingent shares was reclassified to retained earnings.

TRANSACTIONS WITH KOGNITIV

Promissory Notes

First secured promissory note

In the first quarter ended March 31, 2023, the Corporation entered into a secured promissory note agreement with Kognitiv whereby the Corporation agreed to lend an amount of $5.0 million to Kognitiv, of which an amount of $2.0 million was already advanced in 2022. The promissory note bore interest at 12%, was subject to a 3% structuring fee and had a maturity date as of March 7, 2023 and was secured by all present and future accounts receivable of the borrowers and all proceeds thereof. The promissory note was fully repaid by Kognitiv on March 7, 2023, and the Corporation recognized total interest of $0.3 million over the course of the loan period.

Amended and Restated second secured promissory note

During the third quarter of 2023, the Corporation entered into a second secured promissory note agreement totaling up to $4.5 million. During the year ended December 31, 2024, the promissory note was amended and restated to include an additional $2.0 million, of which an amount of $1.0 million was already advanced in 2023. The amended and restated promissory note is now totaling $6.5 million, excluding accrued interests. The promissory note now bears interest at 14%, and was originally subject to a $0.2 million structuring fee. Aimia recorded interest income of $0.8 million during the year ended December 31, 2024. The amount, including accrued interest, is presented as Receivable from related party on the consolidated statements of financial position. The principal amount of $6.5 million and accrued interest thereon under the promissory note is secured by all present and future accounts receivable of the borrowers and all proceeds thereof, and by all present and after-acquired personal property of Kognitiv and its subsidiary loan parties.

23. RELATED PARTIES (continued)

The amended and restated secured promissory note matured on March 31, 2024. The maturity of the note has not been extended and it is now in default. On December 12, 2024, Kognitiv filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4 of the Bankruptcy and Insolvency Act (Canada). On January 10, 2025, Kognitiv submitted a Proposal to all of its creditors pursuant to Part III of the Bankruptcy and Insolvency Act (Canada). Refer to *Note 9* for more details.

The Corporation is currently enforcing its rights for payment in regards to the promissory note. The Corporation considers that there is an increased credit risk on a $2.2 million balance (principal and accrued interests) of its amended and restated promissory note that is subordinated to other senior secured debt of Kognitiv. Accordingly, Aimia recorded a $2.2 million expected credit loss provision during the year ended December 31, 2024. The provision is presented in net financial expenses in the consolidated statements of operations.

Bridge Loan

During the three months ended June 30, 2024, Aimia entered into a bridge loan participation agreement with a U.S. institutional investor and purchased a 50% participation interest into a bridge loan done as part of a senior secured promissory note agreement between the institutional investor and Kognitiv. The 50% portion of the bridge loan funded by Aimia amounted to $0.4 million and was subject to $0.1 million structuring fee. The bridge loan bears interest at 17% and matured in June 2024. The U.S. institutional investor is also enforcing its rights for payment for its secured promissory notes. The amount, including accrued interest, is presented as Receivable from related party on the consolidated statements of financial position at December 31, 2024. No expected credit loss provision has been recognized in regards to this bridge loan.

(Tables in millions of Canadian dollars, except share and per share amounts)

24. FINANCIAL RISK MANAGEMENT

Aimia, through its financial assets and liabilities and those of its Bozzetto and Cortland International operating businesses, has exposure to the following risks from its use of financial instruments: equity price risk, interest rate risk, credit risk, liquidity risk and currency risk. Senior management of Aimia, Bozzetto and Cortland International are responsible for setting risk levels and reviewing risk management activities as they determine to be necessary.

Equity Price Risk

Equity price risk refers to the risk that the fair value of investments in equity instruments will vary as a result of changes in market prices of the investments. The carrying values of investments subject to equity price risk are based on quoted market prices as of the consolidated statements of financial position dates. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuations in the market price of a security may have no relation to the intrinsic value of the security. Furthermore, amounts realized in the sale of a particular security may be affected by the quantity of the security being sold. The Corporation manages its equity price risk by limiting the size of these investments relative to its total assets.

The table below shows the impact to the Corporation on consolidated earnings before income taxes of a 10% increase or decrease in quoted market prices on investments subject to equity price risk in the consolidated statements of financial position of the Corporation. The selected change does not reflect what could be considered the best or worst case scenarios.

December 31, 2024	Fair value	Price/NAV change %	Estimated fair value after price/NAV change	Pre-tax impact on net income
Investments in marketable securities	0.1	+10%	0.1	—
Investments in marketable securities	0.1	-10%	0.1	—
Investments in investments funds	3.1	+10%	3.4	0.3
Investments in investments funds	3.1	-10%	2.8	(0.3)

(Tables in millions of Canadian dollars, except share and per share amounts)

24. FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Aimia is exposed to fluctuations in interest rates with respect to cash and cash equivalents as well as restricted cash, which bear interest at variable rates and are mainly held in the form of bank trading or saving accounts.

Through Bozzetto, Aimia is exposed to interest rate risk due to the debt financing, which part of its variable interest is based on the Euribor 6 months as well as the Euribor 3 months. Bozzetto uses, to cover part of its financing, some derivative financial instruments designating them to cover cash flows with the aim of predetermining the interest cash outflows on a portion of the financing. At 31 December 2024, an interest rate swap (“IRS”) instrument was entered into with a notional amount of €75.0 million until June 2025, as well as an interest rate cap (“IRC”) with a notional amount €45.0 million from July 2025 to June 2026. Derivative instruments are recognized at their fair value.

At December 31, 2024, the interest rate risk profile of Aimia's interest bearing financial instruments was as follows:

	December 31, 2024
Variable rate instruments	
Cash, cash equivalents and restricted cash	**95.4**
Other borrowings	**(5.2)**
Long-term debt (including current portion)	**(151.3)**

For the year ended December 31, 2024, a 1% variance in the interest rates on Aimia's cash, cash equivalents and restricted cash, would have an impact of $1.0 million (2023: $1.1 million) on earnings before income taxes. The same variance in interest rates would not have a significant impact on the other borrowings.

With reference to the Bozzetto senior loans (including the CDP senior loan), a 1% variance in the Euribor 6 months and 3 months rate on the portion not hedged by the IRS, would have an impact of $1.0 million (2023: $0.6 million) on earning before income taxes.

These analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis than for the year ended December 31, 2023, when applicable.

Credit Risk

Credit risk is the risk of loss due to a counterparty's inability to meet its obligations. At December 31, 2024 and 2023, Aimia's credit risk exposure consists mainly of the carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, receivable from related party, convertible notes and other investment income receivable.

Cash and cash equivalents

The credit risk on cash and cash equivalents is limited because the counterparties are Canadian and international banks with high credit-ratings assigned by international credit-rating agencies. Aimia has no history of credit loss

24. FINANCIAL RISK MANAGEMENT (continued)

arising from those financial instruments. For the years ended December 31, 2024 and 2023, no expected credit loss allowance has been recorded in regards to those financial instruments.

Accounts receivable

As of December 31, 2024, Aimia is exposed to credit risk related to accounts receivable arising from the operating activities of its Bozzetto and Cortland International businesses.

Credit risk related to commercial counterparties is managed and monitored. The Corporation does not have high concentrations of credit risk. However, procedures are in place to ensure that sales of products and services are made to customers with high reliability, taking into account their financial position, past experience and other factors. Credit limits on major customers are based on internal and external assessments based on management approved thresholds. The use of credit limits is monitored periodically.

The accounts receivable are exposed net of the expected credit loss provision. The provision is considered appropriate based on the estimated risks of insolvency of counterparties and disputed amounts by counterparties, if any. During the year ended December 31, 2024, no significant expected credit loss expense was recognized in regard to these accounts receivable (2023: $0.8 million). The actual write-offs of accounts receivable during the years ended December 31, 2024 and 2023 have not been significant.

Convertible note

As of December 31, 2024, Aimia also has an investment in a convertible notes of TRADE X.

For the TRADE X A&R Note, the Corporation is exposed to credit risk in the event that the A&R Note is not converted into equity of TRADE X or repaid in accordance with the terms of the A&R Note described above. The A&R Note is secured by an hypothec of $45.0 million on the universality of all of TRADE X's movable property, corporeal and incorporeal, present and future, of whatever nature and wherever situated. This security is subordinated to the security granted by TRADE X under other external financing agreement entered into by TRADE X. Based on 2023 developments regarding TRADE X (*Note 6*), Aimia estimated the fair value of the A&R Note to be nil and therefore currently does not expect to be recovering any of its principal and accrued interest.

Secured promissory notes

As of December 31, 2024, Aimia also had investments in secured promissory notes of Kognitiv. Aimia manages the credit risk related to these instruments by limiting the loans made to Kognitiv and through securing the instrument with certain Kognitiv assets. Refer to *Note 23* for more details on the notes, available security and expected credit loss recognized in regards to these instruments.

(Tables in millions of Canadian dollars, except share and per share amounts)

24. FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk

Aimia's objective is to maintain sufficient liquidity to meet its financial liabilities as they come due. At December 31, 2024, Aimia and its Bozzetto and Cortland International operating subsidiaries are exposed to liquidity risk on its accounts payable and accrued liabilities, contingent consideration payable, other borrowings as well as long-term debt. Aimia manages liquidity risk through the constant monitoring of its cash balances and cash flows generated from operations to meet financial liability requirements.

At December 31, 2024, maturities of the financial liabilities are as follows:

	Total	2025	2026	2027	2028	2029	Thereafter
Long-term debt - Including interest payments, current & non-current portions	194.8	20.1	26.0	38.9	23.1	86.7	—
Other borrowings - Including current and non-current portions	5.2	5.2	—	—	—	—	—
Contingent consideration payable	7.8	—	7.8	—	—	—	—
Accounts payable and accrued liabilities	76.5	76.5	—	—	—	—	—
Total	**284.3**	**101.8**	**33.8**	**38.9**	**23.1**	**86.7**	**—**

The contractual cash flows of lease liabilities are presented in *Note 15*. The liabilities related to put options granted to non-controlling interests ($32.9 million) do not have fixed maturities and therefore, are not presented in the table above.

The Aimia warrants issued in connection with the private placement (*Note 18*) are classified as liabilities but do not include any obligation to deliver cash to the holders of the warrants. Therefore, they are not presented in the table above.

Subsequent to December 31, 2024, the Corporation exchanged preferred shares for senior unsecured notes (the “2030 Notes”) maturing on January 14, 2030. Refer to *Note 14* for additional details.

(Tables in millions of Canadian dollars, except share and per share amounts)

24. FINANCIAL RISK MANAGEMENT (continued)

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Aimia can invest in various international equity instruments that are denominated in a currency that is not the functional currency of the Corporation or any of its subsidiaries. Aimia, through its Bozzetto and Cortland International operating businesses, is also exposed to currency risk from cash and cash equivalents, accounts receivable and payable denominated in a currency that is not the functional currency of these subsidiaries.

At December 31, 2024 and 2023, the Corporation's main exposures to those currencies was as follows:

	Balance as at December 31, 2024		
	USD	HKD	EUR
Financial assets			
Cash and cash equivalents	35.4	—	3.2
Accounts receivables	12.8	—	6.0
Investment in private companies and other financial instruments	3.1	11.9	—
	51.3	**11.9**	**9.2**
Financial liabilities			
Accounts payable and accrued liabilities	4.0	—	3.3
Other non-current liabilities - Contingent consideration	6.9	—	—
Other non-current liabilities - Liability related to put options granted to NCI	20.4	—	12.5
	31.3	**—**	**15.8**
Foreign currency exposure	**20.0**	**11.9**	**(6.6)**
Effect of a 1% change in the exchange rate	0.2	0.1	(0.1)

The Corporation's exposure to other foreign exchange movement is not significant.

(Tables in millions of Canadian dollars, except share and per share amounts)

25. CAPITAL MANAGEMENT

Aimia's main objectives when managing capital are:

- to provide a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
- to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk and preserves the ability to meet financial obligations; and
- to provide a rewarding return on investment to shareholders.

Aimia considers its capital structure to include shareholders' equity and, to the extent it exists, interest-bearing debt.

Aimia manages its capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying financial instruments. The Corporation may issue new shares or debt as well as repurchase common and/or preferred shares using normal course issuer bid to maintain or adjust its capital structure.

Under the terms of the senior facilities agreement, Bozzetto is subject to the satisfaction of a leverage ratio, which is measured on a quarterly basis. The leverage ratio is defined as the ratio of total net debt at the end of the relevant period over the trailing twelve months EBITDA for the Bozzetto consolidated group. Bozzetto is in compliance with this covenant.

The total capital as at December 31, 2024 and 2023 is as follows:

	December 31,	
	2024	2023
Cash and cash equivalents	(95.4)	(109.1)
Investments in marketable securities	(0.1)	(27.8)
Other current borrowings	5.2	6.0
Other non-current borrowing	—	2.5
Long-term debt (current portion)	8.1	8.3
Long-term debt (non-current portion)	143.2	149.7
Preferred Shares	231.1	231.1
Non-controlling interest	28.9	14.5
Equity (excluding Preferred Shares and Non-controlling interest)	268.6	337.5
Total capital	**589.6**	612.7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

26. ADDITIONAL FINANCIAL INFORMATION

The following sections provide additional information regarding certain primary financial statement captions:

A) STATEMENTS OF OPERATIONS

REVENUE

Revenue by product & services

	Years Ended December 31,	
	2024	2023
Revenue recognized at a point in time		
Cortland International segment:		
Rope products	116.8	75.6
Netting and other products	36.7	23.1
Bozzetto segment:		
Textile Solutions	216.8	111.9
Dispersion Solutions	98.3	61.3
Water Solutions	32.2	18.9
Total revenue recognized at a point in time	**500.8**	290.8
Revenue recognized over time		
Holdings segment:		
Investment Management fees	—	0.4
Total revenue recognized over time	—	0.4
Total revenue	**500.8**	291.2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

26. ADDITIONAL FINANCIAL INFORMATION (continued)

EXPENSES BY NATURE

Breakdown of cost of sales and selling, general and administrative expenses ("SG&A")

	Years Ended December 31,			
	2024		2023	
	Cost of sales	SG&A	Cost of sales	SG&A
Employee benefits	38.5	39.0	20.0	25.6
Depreciation expense	17.8	—	10.4	—
Amortization expense	17.6	—	11.4	1.1
Transaction and transition costs related to business acquisitions	—	3.4	—	28.5
Costs related to the termination of the Paladin agreements (*Note 17A*)	—	7.2	—	—
Purchases and other costs	294.9	76.7	183.5	61.7
Total	**368.8**	**126.3**	225.3	116.9

Breakdown of employee benefits

	Years Ended December 31,	
	2024	2023
Salaries and other benefits	73.6	43.4
Defined contribution costs	2.5	2.1
Defined benefit costs (*Note 17B*)	0.1	0.3
Share-based compensation (*Note 18*)	(0.3)	(0.2)
Termination benefits (*Note 23*)	1.6	—
Total	**77.5**	45.6

(Tables in millions of Canadian dollars, except share and per share amounts)

26. ADDITIONAL FINANCIAL INFORMATION (continued)

INTEREST, DIVIDEND AND OTHER INVESTMENT INCOME

	Years Ended December 31,	
	2024	2023
Interest income		
Interest on cash and cash equivalents	3.1	7.7
Interest on convertible notes and other financial instruments	1.8	6.5
Total interest income	**4.9**	14.2
Dividend income		
Dividend income from marketable securities	—	0.6
Total dividend income	**—**	0.6
Other investment income		
Other investment income	4.8	0.9
Total other investment income	**4.8**	0.9
Total interest, dividend and other investment income	**9.7**	15.7

FINANCIAL EXPENSES, NET

	Years Ended December 31,	
	2024	2023
Interest on long-term debt	16.1	9.1
Other interest expenses	3.4	1.6
Foreign exchange (gain) loss	(16.2)	4.6
Loss on net monetary position	3.5	1.5
Expected credit losses on non-trade financial assets *(Notes 6 and 23)*	12.1	2.9
Other financial expenses (income)	(1.6)	0.7
Financial expenses, net	**17.3**	20.4

B) STATEMENTS OF FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

Of the $95.4 million cash and cash equivalents balance, $36.7 million is held in Bozzetto, $12.3 million in Cortland International and $46.4 million in the Holdings segments, respectively.

As long as Bozzetto's senior loans and CDP loan are outstanding, Bozzetto is restricted from making any distributions to Aimia above €20.0 million per financial year. In order to be able to make such distributions, the leverage ratio of Bozzetto is required to be lower or equal to 2:1. As at December 31, 2024, the leverage ratio was above that threshold.

(Tables in millions of Canadian dollars, except share and per share amounts)

26. ADDITIONAL FINANCIAL INFORMATION (continued)

C) STATEMENTS OF CASH FLOWS

CHANGES IN OPERATING ASSETS AND LIABILITIES

	Years Ended December 31,	
	2024	2023
Restricted cash	**0.4**	1.5
Accounts receivable	**(9.7)**	4.4
Inventories	**(0.5)**	6.7
Prepaid expenses	**(2.0)**	(1.0)
Other current assets	**1.1**	1.5
Other non-current assets	**0.4**	(1.0)
Accounts payable and accrued liabilities	**(14.1)**	5.6
Other non-current liabilities	**(4.5)**	(1.5)
Total	**(28.9)**	16.2

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Balance at December 31, 2023	Cash inflow	Cash outflow	Non-cash items						Balance at December 31, 2024
				Assumed through business acquisitions	*Lease liabilities*	*Amortization of transaction costs*	*Foreign exchange*	*Put options related to NCI*	*Other*	
Long-term debt (including short-term portion)	158.0	22.6	(34.2)	—	—	1.9	3.0	—	—	151.3
Other borrowings (including short-term portion	8.5	2.9	(6.1)	—	—	—	0.3	—	(0.4)	5.2
Lease liabilities (including short-term portion)	11.4	—	(4.1)	0.9	3.4	—	0.7	—	—	12.3
Contingent consideration - StarChem	—	—	—	7.7	—	—	0.2	—	(1.0)	6.9
Liability related to put options granted to NCI	7.2	—	—	—	—	—	—	25.7	—	32.9
Total	**185.1**	**25.5**	**(44.4)**	**8.6**	**3.4**	**1.9**	**4.2**	**25.7**	**(1.4)**	**208.6**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions of Canadian dollars, except share and per share amounts)

26. ADDITIONAL FINANCIAL INFORMATION (continued)

	Balance at December 31, 2022	Cash inflow	Cash outflow	Non-cash items						Balance at December 31, 2023
				Assumed through business acquisitions	*Lease liabilities*	*Amortization of transaction costs*	*Foreign exchange*	*Put options related to NCI*	*Other*	
Long-term debt (including short-term portion)	—	157.5	(83.9)	83.2	—	1.5	(0.3)	—	—	158.0
Other borrowings (including short-term portion	—	—	(1.2)	8.6	—	—	0.1	—	1.0	8.5
Lease liabilities (including short-term portion)	—	—	(1.7)	11.2	2.1	—	(0.2)	—	—	11.4
Liability related to put options granted to NCI	—	—	(0.2)	—	—	—	—	7.4	—	7.2
Total	**—**	**157.5**	**(87.0)**	**103.0**	**2.1**	**1.5**	**(0.4)**	**7.4**	**1.0**	**185.1**